Mallinckrodt plc
Form S-4/A
July 11, 2014
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As filed with the Securities and Exchange Commission on July 11, 2014

Registration No. 333-196054

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO.1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MALLINCKRODT PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	2834	98-1088325
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

Damastown, Mulhuddart

Dublin 15, Ireland

+353 1 880-8180

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Peter G. Edwards, Esq.

Senior Vice President and General Counsel

Mallinckrodt

675 James S. McDonnell Blvd.

Hazelwood, Missouri 63042

United States

(314) 654-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Adam O. Emmerich, Esq.	**Michael H. Mulroy, Esq.**	**Cary Hyden, Esq.**
Benjamin M. Roth, Esq.	**Executive Vice President, Strategic**	**R. Scott Shean, Esq.**
Wachtell, Lipton, Rosen & Katz	**Affairs, General Counsel and Corporate**	**Paul Tosetti, Esq.**
51 West 52nd Street	**Secretary**	**Latham & Watkins LLP**
New York, New York 10019	**Questcor Pharmaceuticals, Inc.**	**650 Town Center Drive, 20th Floor Costa Mesa, California 92626**

(212) 403-2000 **1300 North Kellogg Drive, Suite D** **(714) 540-1235**

Anaheim, California 92807

(714) 789-4229

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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

If applicable, place an x in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to the Mallinckrodt plc ordinary shares to be issued in the Merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS

DATED JULY 11, 2014, SUBJECT TO COMPLETION

PRELIMINARY COPY

To Our Shareholders:

You are cordially invited to attend an extraordinary general meeting of the shareholders (the Mallinckrodt EGM) of Mallinckrodt plc (Mallinckrodt) to be held on August 14, 2014 at 3:00 p.m. local time, at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland.

As previously announced, on April 5, 2014, Mallinckrodt entered into an Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement) with Questcor Pharmaceuticals, Inc. (Questcor), pursuant to which Mallinckrodt will acquire Questcor in a merger transaction (the Merger). Following the Merger, Questcor common stock will be delisted from the NASDAQ Stock Market, deregistered under the Securities Exchange Act of 1934, as amended, and cease to be publicly traded. The acquisition of Questcor will be effected under California and Delaware law.

As a result of the Merger, each issued and outstanding share of Questcor common stock will be converted into the right to receive (i) 0.897 of a Mallinckrodt ordinary share and (ii) $30.00 in cash, without interest, in exchange for such share of Questcor common stock. After giving effect to the Merger, Mallinckrodt shareholders are expected to own approximately 50.5% of the Mallinckrodt ordinary shares and the former Questcor shareholders are expected to own approximately 49.5% of the Mallinckrodt ordinary shares (calculated on a fully diluted basis using the treasury stock method). The Mallinckrodt ordinary shares will remain listed on the New York Stock Exchange under the symbol MNK. Based on the number of Questcor shares outstanding as of July 9, 2014, the total number of Mallinckrodt ordinary shares that are expected to be issued or reserved for issuance pursuant to the Merger is approximately 59 million.

Mallinckrodt is holding the Mallinckrodt EGM to seek your approval of the issuance of Mallinckrodt ordinary shares (the Mallinckrodt Share Issuance Proposal) pursuant to the Merger Agreement. The approval of the Mallinckrodt Share Issuance Proposal is required for the completion of the Merger.

We urge all Mallinckrodt shareholders to read the accompanying joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference in the accompanying joint proxy

statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully the *Risk Factors* section beginning on page 27 of the accompanying joint proxy statement/prospectus.

Your proxy is being solicited by the board of directors of Mallinckrodt. After careful consideration, our board of directors has unanimously approved the Merger Agreement and determined that the Merger Agreement, the Mallinckrodt Share Issuance Proposal and other transactions contemplated by the Merger Agreement are fair to and in the best interests of Mallinckrodt and its shareholders. **The Mallinckrodt board of directors recommends unanimously that you vote FOR the Mallinckrodt Share Issuance Proposal. Your vote is very important. Please vote as soon as possible by following the instructions in the accompanying joint proxy statement/prospectus, regardless of whether or not you plan to attend the Mallinckrodt EGM.**

On behalf of the Mallinckrodt board of directors, thank you for your consideration and continued support.

Very truly yours,

Mark C. Trudeau

President, Chief Executive Officer and Director

Mallinckrodt plc

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the transaction or determined if the accompanying joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

For the avoidance of doubt, the accompanying joint proxy statement/prospectus is not intended to be and is not a prospectus for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act of 2005 of Ireland (the 2005 Act), the Prospectus (Directive 2003/71/EC) Regulation 2005 of Ireland (as amended) or the Prospectus Rules issued under the 2005 Act, and the Central Bank of Ireland has not approved this document.

The accompanying joint proxy statement/prospectus is dated July , 2014, and is first being mailed to shareholders of Mallinckrodt on or about July , 2014.

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Information contained herein is subject to completion or amendment. A registration statement relating to the Mallinckrodt plc ordinary shares to be issued in the Merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS

DATED JULY 11, 2014, SUBJECT TO COMPLETION

PRELIMINARY COPY

Dear Shareholders:

You are cordially invited to attend a special meeting of the shareholders (the Questcor special meeting) of Questcor Pharmaceuticals, Inc. (Questcor) to be held on August 14, 2014, at 8:00 a.m. local time, at the offices of Latham & Watkins LLP, located at 650 Town Center Drive, 20th Floor, Costa Mesa, California 92626.

As previously announced, on April 5, 2014, Mallinckrodt plc (Mallinckrodt) and Quincy Merger Sub, Inc. entered into an Agreement and Plan of Merger (the Merger Agreement) with Questcor, pursuant to which Mallinckrodt will acquire Questcor in a merger transaction (the Merger). Following the Merger, the Questcor common stock will be delisted from the NASDAQ Stock Market, deregistered under the Securities Exchange Act of 1934, as amended, and cease to be publicly traded. The acquisition of Questcor will be effected under California and Delaware law. The combination of Questcor and Mallinckrodt, if completed, will create a diversified, high-growth specialty pharmaceutical company with significantly increased scale, revenues, profitability and cash flow, creating a strong platform to deliver sustainable growth and substantial value for shareholders of both companies.

As a result of the Merger, each share of Questcor common stock (except for certain shares held by Questcor, Mallinckrodt, or their respective subsidiaries, shares held by Questcor shareholders who properly exercise their dissenting shareholder rights in accordance with California law, and Questcor employee restricted share awards) will be converted into the right to receive, without interest, (a) $30.00 in cash and (b) 0.897 of an ordinary share of Mallinckrodt (the Merger Consideration), in exchange for such share of Questcor common stock.

For a description of the consideration that Questcor shareholders will receive, see *The Merger Agreement Consideration to Questcor Shareholders* beginning on page 147 of the accompanying joint proxy statement/prospectus. It is anticipated that Mallinckrodt shareholders and Questcor shareholders, in each case as of immediately prior to the Merger, will hold approximately 50.5% and 49.5%, respectively, of the Mallinckrodt ordinary shares immediately after completion of the Merger (calculated on a fully diluted basis using the treasury stock method). It is currently estimated that, if the Merger is completed, Mallinckrodt will issue or reserve for issuance approximately 59 million Mallinckrodt ordinary shares and that the amount of cash to be paid for the cash portion of the Merger Consideration will be approximately $1.88 billion. Mallinckrodt ordinary shares trade on the

New York Stock Exchange under the symbol MNK, and shares of Questcor common stock trade on the NASDAQ Stock Market under the symbol QCOR. Based on the closing price of Mallinckrodt ordinary shares as of July 9, 2014, the value of the Merger Consideration was approximately $99.52 per share. The value of the Merger Consideration based on the closing price of Mallinckrodt ordinary shares as of the closing date may differ from the value based on the price per Mallinckrodt ordinary share as of July 9, 2014 or the price per Mallinckrodt ordinary share at the time of the Questcor special meeting.

Questcor will hold the Questcor special meeting and Mallinckrodt will hold an extraordinary general meeting of shareholders to consider the Merger and related matters. Mallinckrodt and Questcor cannot complete the proposed Merger unless, among other things, Mallinckrodt shareholders approve the issuance of Mallinckrodt ordinary shares pursuant to the Merger Agreement and Questcor shareholders approve and adopt the Merger Agreement.

Your vote is very important. To ensure your representation at the Questcor special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the Questcor special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Questcor special meeting. **The Questcor board of directors has determined that the Merger is advisable and fair to, and in the best interests of, Questcor shareholders, and has approved and declared advisable the Merger Agreement, and recommends that Questcor shareholders vote FOR the approval and adoption of the Merger Agreement and approval of the transactions contemplated by the Merger Agreement, including the Merger.**

The obligations of Mallinckrodt and Questcor to complete the Merger are subject to the satisfaction or waiver of several conditions set forth in the Merger Agreement, a copy of which is included herein. The joint proxy statement/prospectus provides you with detailed information about the proposed Merger. It also contains or references information about Mallinckrodt and Questcor and certain related matters. You are encouraged to read this document carefully. In particular, you should read the *Risk Factors* section beginning on page 27 of the accompanying joint proxy statement/prospectus for a discussion of the risks you should consider in evaluating the proposed transaction and how it will affect you.

On behalf of the Questcor board of directors, thank you for your consideration and continued support.

Sincerely,

Don M. Bailey

Chief Executive Officer, President and Director

Questcor Pharmaceuticals, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger, the issuance of the Mallinckrodt ordinary shares in connection with the Merger, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This document is dated July , 2014, and is first being mailed to shareholders of Questcor on or about July , 2014.

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ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Mallinckrodt and Questcor from documents that are not included in or delivered with the joint proxy statement/prospectus. This information is available without charge to you upon written or oral request. You can obtain the documents incorporated by reference in the joint proxy statement/prospectus by requesting them in writing, by email or by telephone from Mallinckrodt or Questcor at their respective addresses and telephone numbers listed below.

For Mallinckrodt Shareholders:

Mallinckrodt plc

675 James S. McDonnell Blvd.

Hazelwood, Missouri 63042

Attention: Investor Relations

Telephone: (314) 654-6650

Email: investor.relations@mallinckrodt.com

For Questcor Shareholders:

Questcor Pharmaceuticals, Inc.

1300 North Kellogg Drive, Suite D

Anaheim, California 92807

Attention: Investor Relations

Telephone: (714) 497-4899

Email: IR2@questcor.com

http://ir.questcor.com/

In addition, if you have questions about the Merger or the Mallinckrodt EGM or the Questcor special meeting, or if you need to obtain copies of the accompanying joint proxy statement/prospectus, proxy cards, election forms or other documents incorporated by reference in the joint proxy statement/prospectus, you may contact the appropriate contact listed below. You will not be charged for any of the documents you request.

For Mallinckrodt Shareholders:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, New York 10005

mnk@dfking.com

Banks and brokers call collect: (212) 269-5550

Shareholders call toll-free: (888) 542-7446

For Questcor Shareholders:

MacKenzie Partners Inc.

105 Madison Avenue

New York, New York 10016

proxy@mackenziepartners.com

(212) 929-5500 (call collect)

or

Toll-Free (800) 322-2885

To obtain timely delivery of these documents before the Mallinckrodt EGM and the Questcor special meeting, you must request the information no later than August 7, 2014.

For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information* beginning on page 377 of the accompanying joint proxy statement/prospectus.

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MALLINCKRODT PLC

Damastown, Mulhuddart

Dublin 15, Ireland

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 14, 2014

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (the Mallinckrodt EGM) of Mallinckrodt plc (Mallinckrodt) will be held at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland, on August 14, 2014 at 3:00 p.m. (local time) for the purpose of considering and, if thought fit, passing the resolution (the Mallinckrodt EGM Resolution), which will be proposed as an ordinary resolution:

Time:	3:00 p.m. local time
Date:	August 14, 2014
Place:	The Offices of Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2, Ireland
Purpose:	To approve the issuance of ordinary shares (the Mallinckrodt Share Issuance Proposal) pursuant to the Agreement and Plan of Merger, dated April 5, 2014 (as it may be amended from time to time, the Merger Agreement), among Mallinckrodt, Questcor Pharmaceuticals, Inc. and Quincy Merger Sub, Inc. The enclosed joint proxy statement/prospectus describes the purpose and business of the Mallinckrodt EGM, contains a detailed description of the Merger Agreement and the Merger and includes a copy of the Merger Agreement as Annex A. Please read these documents carefully before deciding how to vote.
Record Date:	The record date for the Mallinckrodt EGM has been fixed by the board of directors as the close of business on July 9, 2014. Mallinckrodt shareholders of record at that time are entitled to vote at the Mallinckrodt EGM.

More information about the transaction and the Mallinckrodt EGM Resolution is contained in the accompanying joint proxy statement/prospectus. **We urge all Mallinckrodt shareholders to read the accompanying joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference in the accompanying joint proxy statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully *Risk Factors* beginning on page 27 of the accompanying joint proxy statement/prospectus.**

The Mallinckrodt board of directors recommends unanimously that Mallinckrodt shareholders vote FOR the Mallinckrodt Share Issuance Proposal.

By order of the Board of Directors,

Peter G. Edwards

Senior Vice President and General Counsel

July , 2014

YOUR VOTE IS IMPORTANT

You may have the option to vote your shares by using a toll-free telephone number or electronically over the Internet as described on the proxy card or voting instruction form you receive. We encourage you to submit your vote using either of these options if they are available to you. Alternatively, you may sign, date, mark and mail your proxy form in the postage-paid envelope provided. The method by which you vote does not limit your right to vote in person at the extraordinary general meeting. We strongly encourage you to vote.

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Whether or not you expect to attend the Mallinckrodt EGM in person, we encourage you to cast your vote promptly so that your shares will be represented and voted at the meeting. **Any shareholder entitled to attend and vote at the Mallinckrodt EGM may appoint one or more proxies, who need not be a shareholder(s) of Mallinckrodt.** If you wish to appoint a person other than the individuals specified on Mallinckrodt s proxy card, please contact the Company Secretary and also note that your nominated proxy must attend the Mallinckrodt EGM in person in order for your votes to be voted.

Under the Mallinckrodt articles of association, the Chairman of the Mallinckrodt EGM may at any time adjourn the Mallinckrodt EGM if, in his opinion, it would facilitate the conduct of the business of the Mallinckrodt EGM to do so or if he is so directed by the Mallinckrodt board of directors. Pursuant to this authority, the Mallinckrodt EGM may be adjourned to, among other things, solicit proxies if there are not sufficient votes at the time of the Mallinckrodt EGM in favor of the Mallinckrodt Share Issuance Proposal.

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QUESTCOR PHARMACEUTICALS, INC.

1300 NORTH KELLOGG DRIVE, SUITE D

ANAHEIM, CALIFORNIA 92807

NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 14, 2014

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of Questcor Pharmaceuticals, Inc. (Questcor) will be held at the offices of Latham & Watkins LLP, located at 650 Town Center Drive, 20th Floor, Costa Mesa, California 92626, at 8:00 a.m. (local time) on August 14, 2014 for the following purposes:

1. to approve and adopt the Agreement and Plan of Merger, dated as of April 5, 2014 (the Merger Agreement), by and among Mallinckrodt plc (Mallinckrodt), Quincy Merger Sub, Inc. (Merger Sub) and Questcor, and to approve the transactions contemplated by the Merger Agreement, including the merger of Merger Sub with and into Questcor, with Questcor continuing as the surviving corporation and a wholly owned indirect subsidiary of Mallinckrodt (the Merger Proposal);

2. to adjourn the meeting to another date and place if necessary or appropriate to solicit additional votes if there are insufficient votes at the time of the Questcor special meeting to approve the Merger Proposal (the Questcor Adjournment Proposal); and

3. to approve, on a non-binding, advisory basis, the merger-related compensation of Questcor s named executive officers (the Merger-Related Named Executive Officer Compensation Proposal), as disclosed under the heading *Questcor Proposals Merger-Related Named Executive Officer Compensation Proposal* beginning on page 90 of the accompanying joint proxy statement/prospectus.

The approval by Questcor shareholders of the Merger Proposal is required to complete the Merger described in the accompanying joint proxy statement/prospectus.

Questcor will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The Merger Proposal is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the Merger Agreement is attached as Annex A to this document.

The Questcor board of directors has set July 9, 2014 as the record date for the Questcor special meeting. Only holders of record of shares of Questcor common stock at the close of business on July 9, 2014 will be entitled to notice of and to vote at the Questcor special meeting and any adjournments or postponements thereof. Any shareholder entitled to attend and vote at the Questcor special meeting is entitled to appoint a proxy to attend and vote on such shareholder s behalf. Such proxy need not be a holder of shares of Questcor common stock.

Your vote is very important. To ensure your representation at the Questcor special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the Questcor special meeting. Submitting a proxy now will not prevent

you from being able to vote in person at the Questcor special meeting.

The Questcor board of directors has approved and declared advisable the Merger Agreement and recommends that you vote FOR the Merger Proposal, FOR the Questcor Adjournment Proposal and FOR the Merger-Related Named Executive Officer Compensation Proposal.

BY ORDER OF THE BOARD OF DIRECTORS

Michael H. Mulroy

Executive Vice President, Strategic Affairs and General Counsel

Anaheim, California

July , 2014

PLEASE VOTE YOUR SHARES OF QUESTCOR COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL (212) 929-5550 OR (888) 322-2885.

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Trademarks and Trade Names

Mallinckrodt and Questcor own or have rights to use trademarks and trade names that they use in conjunction with the operation of their respective businesses. Two of the more important trademarks that they own or have rights to use that appear in this joint proxy statement/prospectus are Mallinckrodt and Questcor, each of which are registered trademarks or the subject of pending trademark applications in the United States and other jurisdictions. Solely for convenience, Mallinckrodt and Questcor only use the ® or ™ symbols the first time any trademark or trade name is mentioned. Such references are not intended to indicate in any way that Mallinckrodt and Questcor will not assert, to the fullest extent permitted under applicable law, their rights to their respective trademarks and trade names. Each trademark or trade name of any other company appearing in this joint proxy statement/prospectus is, to Mallinckrodt s and Questcor s knowledge, owned by such other company.

Notice to Investors

This document is not a prospectus within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) or the Prospectus Directive. No offer of shares to the public is made, or will be made, that requires the publication of a prospectus pursuant to Irish prospectus law (within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland, as amended) or the Prospectus Directive. This document has not been approved or reviewed by or registered with the Central Bank of Ireland or any other competent authority or regulatory authority in the European Economic Area. This document does not constitute investment advice or the provision of investment services within the meaning of the European Communities (Markets in Capital Instruments) Regulations 2007 of Ireland (as amended) or the Markets in Financial Instruments Directive (2004/39/EC). Neither Mallinckrodt nor Questcor is an authorized investment firm within the meaning of the European Communities (Markets Financial Instruments) Regulations 2007 of Ireland (as amended) or the Markets in Financial Instruments Directive (2004/39/EC) and the recipients of this document should seek independent legal and financial advice in determining their actions in respect of or pursuant to this document.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION AND THE MALLINCKRODT EXTRAORDINARY GENERAL MEETING AND THE QUESTCOR SPECIAL MEETING

The following are answers to certain questions that you may have regarding the transaction, the Mallinckrodt extraordinary general meeting (the Mallinckrodt EGM) and the Questcor special meeting. We urge you to read carefully the remainder of this document because the information in this section may not provide all of the information that might be important to you in determining how to vote. Additional important information is also contained in the Annexes to, and the documents incorporated by reference into, this document.

Except where otherwise noted or where the context otherwise requires, references in this joint proxy statement/prospectus to we refer to Mallinckrodt plc, an Irish public limited company (Mallinckrodt), and Questcor Pharmaceuticals, Inc., a California corporation (Questcor). All references to the Merger Agreement refer to the Agreement and Plan of Merger, dated April 5, 2014, by and among Mallinckrodt, Questcor, and Quincy Merger Sub, Inc., a Delaware corporation (Merger Sub), as it may be amended from time to time, a copy of which is included as Annex A to this joint proxy statement/prospectus. Additionally, unless the context otherwise requires, references to the separation refer to the separation of the Pharmaceuticals business of Covidien plc (Covidien) from its other businesses, including the transfer of the assets and liabilities associated with the Pharmaceuticals business to Mallinckrodt and the creation, as a result of the distribution (as defined below), of an independent, publicly-traded company, Mallinckrodt plc, which now holds the assets and liabilities formerly associated with Covidien s Pharmaceuticals business; references to Mallinckrodt s historical business and operations prior to the completion of the separation on June 28, 2013 refer to the business and operations of Covidien s Pharmaceuticals business as it was historically managed as part of Covidien and its subsidiaries; and references to the distribution refer to the dividend on Covidien ordinary shares that was satisfied by Mallinckrodt s issuance of its ordinary shares to the persons entitled to receive the dividend on June 28, 2013. Unless otherwise indicated, all references to dollars or $ in this joint proxy statement/prospectus are references to U.S. dollars.

If you are in any doubt about this transaction you should consult an independent financial advisor who, if you are taking advice in Ireland, is authorized or exempted by the Investment Intermediaries Act 1995, or the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 (as amended).

Q: WHAT IS THE PROPOSED TRANSACTION ABOUT WHICH I AM BEING ASKED TO VOTE?

A: Pursuant to the Merger Agreement, Mallinckrodt will acquire Questcor in a merger transaction. Merger Sub will merge with and into Questcor (the Merger), with Questcor continuing as the surviving corporation. Following the Merger, Questcor will be an indirect wholly owned subsidiary of Mallinckrodt and the Questcor common stock will be delisted from the NASDAQ Stock Market, deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act), and cease to be publicly traded.

Q: WHY AM I RECEIVING THIS DOCUMENT?

A: Each of Mallinckrodt and Questcor is sending these materials to its respective shareholders to help them decide how to vote their Mallinckrodt ordinary shares or shares of Questcor common stock, as the case may be, with respect to matters to be considered at the Mallinckrodt EGM and the Questcor special meeting, respectively.

Completion of the Merger requires an affirmative vote of each of the Mallinckrodt shareholders and the Questcor shareholders. To obtain these required approvals, Mallinckrodt will hold the Mallinckrodt EGM at which Mallinckrodt will ask its shareholders to approve the issuance of Mallinckrodt ordinary shares pursuant to the Merger Agreement, and Questcor will hold a special meeting of shareholders at which Questcor will ask its shareholders to (i) approve and adopt the Merger Agreement and to approve the

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transactions contemplated by the Merger Agreement, including the Merger, (ii) approve the adjournment of the Questcor special meeting and any adjournments thereof, if necessary or appropriate and (iii) approve a non-binding, advisory basis proposal relating to merger-related compensation payable to certain named executives. Further information about the Mallinckrodt EGM, the Questcor special meeting and the Merger is contained in this document.

This document constitutes both a joint proxy statement of Mallinckrodt and Questcor and a prospectus of Mallinckrodt. It is a joint proxy statement because each of the respective boards of directors of Mallinckrodt and Questcor is soliciting proxies from its respective shareholders using this document. It is a prospectus because Mallinckrodt, in connection with the Merger Agreement, is offering ordinary shares in partial exchange for the outstanding shares of Questcor common stock in the Merger.

For the avoidance of doubt, this document is not intended to be and is not a prospectus for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act of 2005 of Ireland (the 2005 Act), the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (as amended) or the Prospectus Rules issued under the 2005 Act, and the Central Bank of Ireland has not approved this document.

Q: WHAT WILL QUESTCOR SHAREHOLDERS RECEIVE IN THE MERGER?

A: As a result of the Merger, each issued and outstanding share of Questcor common stock, other than (i) any shares of Questcor common stock owned by Questcor, Mallinckrodt, Merger Sub or by any of their respective subsidiaries at the effective time of the Merger, which will each be cancelled and will cease to exist, and no consideration will be delivered in exchange therefor, (ii) Questcor employee restricted share awards, which will each be assumed by Mallinckrodt and converted into an award of restricted stock corresponding to the Mallinckrodt ordinary shares in accordance with the equity award exchange ratio specified in the Merger Agreement (the shares in (i) and (ii) are referred to as excluded shares) and (iii) shares of Questcor common stock held by Questcor shareholders who are entitled to and who properly exercise dissenter s rights under California law, as described under *Dissenting Shareholder Rights* beginning on page 375 of this joint proxy statement/prospectus (the shares in (iii) are referred to as dissenting shares), will be converted into the right to receive, without interest (i) $30.00 in cash and (ii) 0.897 of Mallinckrodt ordinary shares (the Merger Consideration). It is anticipated that Mallinckrodt shareholders and Questcor shareholders, in each case as of immediately prior to the Merger, will hold approximately 50.5% and 49.5%, respectively, of the Mallinckrodt ordinary shares immediately after completion of the Merger. The foregoing expected ownership percentages were calculated based on what holders of shares and awards of Mallinckrodt and Questcor would be expected to own immediately following the completion of the Merger on a fully diluted basis using the treasury stock method.

No holder of Questcor common stock will be issued fractional Mallinckrodt ordinary shares in the Merger. Each holder of Questcor common stock converted pursuant to the Merger who would otherwise have been entitled to receive a fraction of a Mallinckrodt ordinary share will receive, in lieu thereof, cash, without interest, in an amount equal to such fractional part of a Mallinckrodt ordinary share multiplied by the volume weighted average price of Mallinckrodt ordinary shares for a ten trading day period, starting with the opening of trading on the eleventh trading day prior to the closing date of the Merger and ending with the closing of trading on the second to last trading day prior to the closing date of the Merger, as reported by Bloomberg.

Q: WHEN WILL THE MERGER BE COMPLETED?

A: The parties currently expect that the Merger will be completed in August 2014. Neither Mallinckrodt nor Questcor can predict, however, the actual date on which the Merger will be completed, or whether it will be completed, because it is subject to factors beyond each company s control, including whether or when the required regulatory approval will be received. See *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 164 of this joint proxy statement/prospectus.

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Q: WHAT ARE MALLINCKRODT SHAREHOLDERS BEING ASKED TO VOTE ON AND WHY IS THIS APPROVAL NECESSARY?

A: Mallinckrodt shareholders are being asked to vote on the proposal to approve the issuance of Mallinckrodt ordinary shares pursuant to the Merger Agreement (the Mallinckrodt Share Issuance Proposal).

Mallinckrodt shareholder approval of the Mallinckrodt Share Issuance Proposal is required to complete the Merger under the terms of the Merger Agreement. No other matters are intended to be brought before the Mallinckrodt EGM by Mallinckrodt.

Under the Mallinckrodt articles of association, the Chairman of the Mallinckrodt EGM may at any time adjourn the Mallinckrodt EGM if, in his opinion, it would facilitate the conduct of the business of the Mallinckrodt EGM to do so or if he is so directed by the Mallinckrodt board of directors. Pursuant to this authority, the Mallinckrodt EGM may be adjourned to, among other things, solicit proxies if there are not sufficient votes at the time of the Mallinckrodt EGM in favor of the Mallinckrodt Share Issuance Proposal.

Q: WHAT VOTE IS REQUIRED TO APPROVE THE MALLINCKRODT SHARE ISSUANCE PROPOSAL AT THE MALLINCKRODT EXTRAORDINARY GENERAL MEETING?

A: The affirmative vote of a majority of the votes cast, either in person or by proxy, by shareholders entitled to vote on the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM is required to approve the Mallinckrodt Share Issuance Proposal.

Because the vote required to approve the Mallinckrodt Share Issuance Proposal is based on votes properly cast at the Mallinckrodt EGM, and because abstentions are not considered votes properly cast, abstentions, along with failures to vote, will have no effect on such proposal.

Q: HOW DOES THE MALLINCKRODT BOARD OF DIRECTORS RECOMMEND I VOTE?

A: The Mallinckrodt board of directors has unanimously approved the Merger Agreement and determined that the Merger Agreement, the Mallinckrodt Share Issuance Proposal and other transactions contemplated by the Merger Agreement are fair to and in the best interests of Mallinckrodt and its shareholders. The Mallinckrodt board of directors recommends that you vote your Mallinckrodt ordinary shares **FOR** the Mallinckrodt Share Issuance Proposal.

Q: WHAT ARE QUESTCOR SHAREHOLDERS BEING ASKED TO VOTE ON AND WHY IS THIS APPROVAL NECESSARY?

A: Questcor shareholders are being asked to vote on the following proposals:

1. to approve and adopt the Merger Agreement, a copy of which is attached as Annex A to this document, and to approve the transactions contemplated by the Merger Agreement, including the Merger (the Merger Proposal);

2. to approve the adjournment of the Questcor special meeting, or any adjournments thereof, to another time and place if necessary or appropriate to, among other things, solicit additional proxies if there are insufficient votes at the time of the Questcor special meeting to approve the Merger Proposal (the Questcor Adjournment Proposal); and

3. to approve, on a non-binding, advisory basis, the merger-related compensation of Questcor s named executive officers (the Merger-Related Named Executive Officer Compensation Proposal), as disclosed in *Questcor Proposals Merger-Related Named Executive Officer Compensation Proposal* beginning on page 90 of this joint proxy statement/prospectus.

Questcor shareholder approval of the Merger Proposal is required for completion of the Merger. Questcor shareholder approval of the Questcor Adjournment Proposal and the Merger-Related Named Executive Officer Compensation Proposal are not required for completion of the Merger. No other matters are intended to be brought before the Questcor special meeting by Questcor.

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Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE QUESTCOR SPECIAL MEETING?

A: *The Merger Proposal*: The affirmative vote of a majority of the outstanding shares of Questcor common stock entitled to vote on the proposal at the Questcor special meeting is required to approve the Merger Proposal. If you are a Questcor shareholder and you abstain from voting or fail to vote, or fail to instruct your broker, bank, trust company or other nominee how to vote on the Merger Proposal, it will have the same effect as a vote cast against the Merger Proposal;

The Questcor Adjournment Proposal: The affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Questcor Adjournment Proposal present, either in person or by proxy, at the Questcor special meeting is required to approve the Questcor Adjournment Proposal. For the Questcor Adjournment Proposal, an abstention will have the same effect as a vote against the proposal. If a Questcor shareholder fails to vote and is not present in person or by proxy at the Questcor special meeting, it will have no effect on the vote count for the Questcor Adjournment Proposal (assuming a quorum is present); and

The Merger-Related Named Executive Officer Compensation Proposal: The affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Merger-Related Named Executive Officer Compensation Proposal present, either in person or by proxy, at the Questcor special meeting is required to approve the Merger-Related Named Executive Officer Compensation Proposal. The shareholders vote regarding the Merger-Related Named Executive Officer Compensation Proposal is an advisory vote, and therefore is not binding on Questcor or the Questcor board of directors or the Questcor compensation committee. Since compensation and benefits to be paid or provided in connection with the Merger are based on contractual arrangements with the named executive officers, the outcome of this advisory vote will not affect the obligation to make these payments. For the Merger-Related Named Executive Officer Compensation Proposal, an abstention will have the same effect as a vote against the proposal. If a Questcor shareholder fails to vote and is not present in person or by proxy at the Questcor special meeting, it will have no effect on the vote count for the Merger-Related Named Executive Officer Compensation Proposal (assuming a quorum is present).

Q: HOW DOES THE QUESTCOR BOARD OF DIRECTORS RECOMMEND I VOTE?

A: The Questcor board of directors has unanimously approved the Merger Agreement and determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, are advisable and are fair to and in the best interests of Questcor s shareholders. The Questcor board of directors recommends that you vote your shares of Questcor common stock:

1. **FOR** the Merger Proposal;

2. **FOR** the Questcor Adjournment Proposal; and

3. **FOR** the Merger-Related Named Executive Officer Compensation Proposal.

Q: ARE THERE ANY VOTING AGREEMENTS WITH EXISTING SHAREHOLDERS?

A: On April 23, 2014, Mallinckrodt and Paulson & Co. Inc., on behalf of itself and of and all funds and accounts managed by Paulson & Co. Inc. or any of its affiliates (collectively, Paulson), entered into a support agreement (as may be amended, modified or supplemented from time to time, the Support Agreement), pursuant to which Paulson has agreed, among other things, to vote all of the Mallinckrodt ordinary shares and shares of Questcor common stock beneficially owned by it in favor of the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM (unless there has been a Mallinckrodt change of recommendation (as described below under *The Merger Agreement Covenants and Agreements No Solicitation; Third Party Acquisition Proposals*)), and in favor of the Merger Proposal at the Questcor special meeting (unless there has been a Questcor change of recommendation (as described below under *The Merger Agreement Covenants and Agreements No Solicitation; Third Party Acquisition Proposals*)). See *The Merger Support Agreement.*

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Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote your shares as soon as possible so that your shares will be represented at your respective company s meeting of shareholders. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in street name through your broker, bank or other nominee.

Q: HOW DO I VOTE?

A: If you are a shareholder of record of Mallinckrodt as of July 9, 2014 (the Mallinckrodt record date), or a shareholder of record of Questcor as of July 9, 2014 (the Questcor record date), you may submit your proxy before your respective company s extraordinary general meeting or special meeting, as applicable, in one of the following ways:

1. visit the website shown on your proxy card or voting instruction form to vote via the Internet, if available;

2. call the toll-free number for telephone voting, as shown on your proxy card or voting instruction form, if available; or

3. sign, date, mark and return the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at your respective company s extraordinary general meeting or special meeting, as applicable.

If your shares are held in street name, through a broker, bank, trust company or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name shareholders who wish to vote at the meeting will need to obtain a proxy form from their broker, bank or other nominee. Your broker, bank, trust company or other nominee may provide instructions to vote by Internet or telephone.

Q: HOW MANY VOTES DO I HAVE?

A: *Mallinckrodt*: You are entitled to one vote for each Mallinckrodt ordinary share that you owned as of the close of business on the Mallinckrodt record date. As of the close of business on the Mallinckrodt record date, 58,564,819 Mallinckrodt ordinary shares were outstanding and entitled to vote at the Mallinckrodt EGM.

Questcor: You are entitled to one vote for each share of Questcor common stock that you owned as of the close of business on the Questcor record date. As of the close of business on the Questcor record date, 61,420,933 shares of Questcor common stock were outstanding and entitled to vote at the Questcor special meeting.

Q: WHAT IF I SELL MY MALLINCKRODT ORDINARY SHARES BEFORE THE MALLINCKRODT EXTRAORDINARY GENERAL MEETING OR MY SHARES OF QUESTCOR COMMON STOCK BEFORE THE QUESTCOR SPECIAL MEETING?

A: *Mallinckrodt*: The Mallinckrodt record date is earlier than the date of the Mallinckrodt EGM and the date that the transaction is expected to be completed. If you transfer your shares after the Mallinckrodt record date but before the Mallinckrodt EGM, you will retain your right to vote at the Mallinckrodt EGM.

Questcor: The Questcor record date is earlier than the date of the Questcor special meeting and the date that the transaction is expected to be completed. If you transfer your shares after the Questcor record date but before the Questcor special meeting, you will retain your right to vote at the Questcor special meeting, but will have transferred the right to receive the Merger Consideration. In order to receive the Merger Consideration, you must hold your shares through the effective time of the Merger.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

A: No. To the extent Questcor shareholders have certificated shares, such Questcor shareholders should keep their existing stock certificates at this time. After the transaction is completed, Questcor shareholders will receive written instructions for exchanging their stock certificates for Mallinckrodt ordinary shares and other consideration.

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Q: WHEN AND WHERE ARE THE MALLINCKRODT EXTRAORDINARY GENERAL MEETING AND THE QUESTCOR SPECIAL MEETING OF SHAREHOLDERS?

A: *Mallinckrodt*: The Mallinckrodt EGM will be held at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland at 3:00 p.m., (local time), on August 14, 2014.
Questcor: The Questcor special meeting will be held at Latham & Watkins LLP, located at 650 Town Center Drive, 20th Floor, Costa Mesa, California 92626, at 8:00 a.m., local time, on August 14, 2014.

Q: WHAT CONSTITUTES A QUORUM?

A: *Mallinckrodt*: The presence of holders of a majority of Mallinckrodt s ordinary shares which are outstanding and entitled to vote on the Mallinckrodt record date must be present in person or represented by valid proxies. Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum.
Questcor: The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Questcor common stock entitled to vote on the matters to be voted on at the Questcor special meeting constitutes a quorum for the meeting. Abstentions and broker non-votes are considered present for purposes of determining a quorum.

Q: IF MY SHARES ARE HELD IN STREET NAME BY A BROKER, BANK, TRUST COMPANY OR OTHER NOMINEE, WILL MY BROKER, BANK, TRUST COMPANY OR OTHER NOMINEE VOTE MY SHARES FOR ME?

A: If your shares are held in street name in a stock brokerage account or by a bank, trust company or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank, trust company or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Mallinckrodt or Questcor or by voting in person at the Mallinckrodt EGM or the Questcor special meeting unless you obtain a legal proxy from your broker, bank, trust company or other nominee.
Under the rules of the New York Stock Exchange and the NASDAQ Stock Market, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the New York Stock Exchange (with respect to the Mallinckrodt EGM) or the NASDAQ Stock Market (with respect to the Questcor special meeting) determines to be non-routine without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the Mallinckrodt EGM and the Questcor special meeting will be non-routine matters. Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares how to vote on a particular proposal for which the broker does not have discretionary voting power.

If you are a Mallinckrodt shareholder and you do not instruct your broker, bank, trust company or other nominee on how to vote your shares, then your broker, bank, trust company or other nominee may not vote your shares on the Mallinckrodt Share Issuance Proposal, which broker non-votes will have no effect on the vote count for this proposal

(except for determining whether a quorum is present).

If you are a Questcor shareholder and you do not instruct your broker, bank, trust company or other nominee on how to vote your shares:

1. your broker, bank, trust company or other nominee may not vote your shares on the Merger Proposal, which broker non-votes will have the same effect as a vote against such proposal;

2. your broker, bank, trust company or other nominee may not vote your shares on the Questcor Adjournment Proposal, which broker non-votes will have no effect on the vote count for this proposal (except for determining whether a quorum is present); and

3. your broker, bank, trust company or other nominee may not vote your shares on the Merger-Related Named Executive Officer Compensation Proposal, which broker non-votes will have no effect on the vote count for this proposal (except for determining whether a quorum is present).

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Q: WHAT IF I DO NOT VOTE OR I ABSTAIN?

A: For purposes of each of the Mallinckrodt EGM and the Questcor special meeting, an abstention occurs when a shareholder attends the applicable meeting in person and does not vote or returns a proxy with an abstain vote on any proposal.

If you are a Mallinckrodt shareholder and you fail to vote or fail to instruct your broker, bank, trust company or other nominee how to vote on the Mallinckrodt Share Issuance Proposal, your proxy will have no effect on the vote count for such proposal (except for determining whether a quorum is present). If you respond with an abstain vote on the Mallinckrodt Share Issuance Proposal, your proxy will have no effect on the vote count for each such proposal.

If you are a Questcor shareholder and (i) you fail to vote or fail to instruct your broker, bank, trust company or other nominee how to vote on the Merger Proposal or (ii) you respond with an abstain vote on the Merger Proposal, your proxy will have the same effect as a vote cast against the Merger Proposal.

If you are a Questcor shareholder and you fail to vote and are not present in person or by proxy at the special meeting, or fail to instruct your broker, bank, trust company or other nominee how to vote on the Questcor Adjournment Proposal or the Merger-Related Named Executive Officer Compensation Proposal, this will have no effect on the vote count for such proposals (except for determining whether a quorum is present). If you respond with an abstain vote on the Questcor Adjournment Proposal or the Merger-Related Named Executive Officer Compensation Proposal, your proxy will count as a vote against such proposals.

Q: WHAT WILL HAPPEN IF I RETURN MY PROXY OR VOTING INSTRUCTION CARD WITHOUT INDICATING HOW TO VOTE?

A: If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the Mallinckrodt ordinary shares represented by your proxy will be voted **FOR** the Mallinckrodt Share Issuance Proposal in accordance with the recommendation of the Mallinckrodt board of directors or the shares of Questcor common stock represented by your proxy will be voted **FOR** each proposal in accordance with the recommendation of the Questcor board of directors.

Q: MAY I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY OR VOTING INSTRUCTION CARD?

A: Yes. As a Mallinckrodt shareholder, you may change your vote or revoke a proxy at any time before your proxy is voted at the Mallinckrodt EGM by:

timely delivering written notice that you have revoked your proxy to the company secretary of Mallinckrodt at the following address:

Mallinckrodt plc

675 James S. McDonnell Blvd.

Hazelwood, Missouri 63042

Attention: Company Secretary

timely submitting your voting instructions again by telephone or over the Internet;

signing and returning by mail a proxy card or voting instruction form with a later date so that it is received prior to the Mallinckrodt EGM; or

attending the Mallinckrodt EGM and voting by ballot in person.

Attending the Mallinckrodt EGM will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail.

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As a Questcor shareholder, you may change your vote or revoke a proxy at any time before your proxy is voted at the Questcor special meeting by:

- sending a written notice of revocation to the corporate secretary of Questcor at 1300 North Kellogg Drive, Suite D, Anaheim, California 92807 that is received by Questcor prior to 11:59 p.m., California time, on the day preceding the Questcor special meeting, stating that you would like to revoke your proxy; or
- submitting a new proxy or voting instruction form bearing a later date (by Internet, telephone or mail) that is received no later than the deadline specified on the proxy card; or
- attending the Questcor special meeting and voting in person.

Attending the Questcor special meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail.

Please note, however, that under the rules of the New York Stock Exchange and the NASDAQ Stock Market, any beneficial owner of Mallinckrodt ordinary shares or Questcor common stock whose shares are held in street name by a New York Stock Exchange (with respect to Mallinckrodt ordinary shares) or a NASDAQ Stock Market (with respect to Questcor common stock) member brokerage firm may revoke its proxy and vote its shares in person at the Mallinckrodt EGM or the Questcor special meeting only in accordance with applicable rules and procedures as employed by such beneficial owner s brokerage firm. If your shares are held in an account at a broker, bank, trust company or other nominee, you should contact your broker, bank, trust company or other nominee to change your vote.

If you hold shares indirectly in the Mallinckrodt benefit plans or Questcor benefits plans, you should contact the trustee of your plan, as applicable, to change your vote of the shares allocated to your benefit plan.

Attending the Mallinckrodt EGM or the Questcor special meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail. You must vote by ballot at the Mallinckrodt EGM or Questcor special meeting to change your vote.

Q: WHAT SHOULD I DO IF I RECEIVE MORE THAN ONE SET OF VOTING MATERIALS?

A: Mallinckrodt shareholders and Questcor shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold Mallinckrodt ordinary shares and/or Questcor common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Mallinckrodt ordinary shares or Questcor common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both Mallinckrodt ordinary shares and Questcor common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please sign, date, mark and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint

proxy statement/prospectus to ensure that you vote every Mallinckrodt ordinary share and/or share of Questcor common stock that you own.

Q: ARE QUESTCOR SHAREHOLDERS ENTITLED TO DISSENTERS RIGHTS?

A: Yes. Questcor shareholders are entitled to dissenting shareholder rights under Chapter 13 of the General Corporation Law of the State of California (the CGCL), provided they satisfy the special criteria and conditions set forth in Chapter 13 of the CGCL. More information regarding these dissenting shareholder rights is provided in this document, and the provisions of the CGCL that grant dissenting shareholder rights and govern such procedures are attached as Annex D to this joint proxy statement/prospectus. You should read these provisions carefully and in their entirety. See *Dissenting Shareholder Rights* beginning on page 375 of this joint proxy statement/prospectus.

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Q: ARE MALLINCKRODT SHAREHOLDERS ENTITLED TO APPRAISAL RIGHTS?

A: No. Mallinckrodt shareholders are not entitled to appraisal rights under Irish law. Mallinckrodt shareholders will not be exchanging their Mallinckrodt ordinary shares.

Q: WHAT ARE THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO QUESTCOR SHAREHOLDERS?

A: The receipt of cash and Mallinckrodt ordinary shares for Questcor common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. Under such treatment, in general, for U.S. federal income tax purposes, a U.S. holder will recognize gain or loss equal to the difference between the sum of the fair market value of Mallinckrodt ordinary shares and the amount of cash (including cash received in lieu of fractional Mallinckrodt ordinary shares) received in the Merger and the aggregate tax basis in the Questcor common stock surrendered in the Merger. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder s holding period for Questcor common stock surrendered exceeds one year at the effective time of the Merger. Certain non-corporate U.S. holders (including individuals) are eligible for preferential rates applicable to long-term capital gain. The deductibility of capital losses is subject to limitations. A non-U.S. holder generally will not be subject to U.S. federal income tax on any gain recognized in the Merger other than in certain specific circumstances, as further described under *Certain Tax Consequences of the Merger U.S. Federal Income Tax Consequences of the Merger Tax Consequences to Non-U.S. Holders*.

Questcor shareholders should consult their tax advisors as to the particular tax consequences to them of the transaction, including the effect of U.S. federal, state and local tax laws and foreign tax laws. For a more detailed discussion of the material U.S. federal income tax consequences of the Merger, see *Certain Tax Consequences of the Merger U.S. Federal Income Tax Considerations*.

Q: WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?

A: If the Merger is not completed, Questcor shareholders will not receive any consideration for their shares of Questcor common stock. Instead, Questcor will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ Stock Market. Mallinckrodt s ordinary shares will continue to be listed and traded on the New York Stock Exchange. Under specified circumstances, Questcor or Mallinckrodt may be required to pay to, or be entitled to receive from, the other party a fee with respect to the termination of the Merger Agreement, as described in the section *The Merger Agreement Termination of the Merger Agreement; Termination Fees* beginning on page 166 of this joint proxy statement/prospectus.

Q: WHOM SHOULD I CONTACT IF I HAVE ANY QUESTIONS ABOUT THE PROXY MATERIALS OR VOTING?

A:

If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this document or the enclosed proxy card, you should contact the proxy solicitation agent for the company in which you hold shares.

Mallinckrodt shareholders should contact D.F. King, the proxy solicitation agent for Mallinckrodt, at 48 Wall Street, 22nd Floor, New York, New York 10005 or by email at *mnk@dfking.com*. Banks and brokers call collect: (212) 269-5550; all others call toll free: (888) 542-7446.

Questcor shareholders should contact MacKenzie Partners Inc., the proxy solicitation agent for Questcor, at 105 Madison Avenue, New York, New York 10016 or by email at *proxy@mackenziepartners.com*. Banks and brokers call collect: (212) 929-5500; all others call toll free: (800) 322-2885.

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Q: **IF I PARTICIPATE IN THE QUESTCOR EMPLOYEE STOCK PURCHASE PLAN, HOW WILL MY STOCK PURCHASE RIGHTS BE TREATED IN THE MERGER?**

A: Participants in Questcor s Employee Stock Purchase Plan (the ESPP) will not be allowed to increase their payroll deductions from those in effect on the date of the Merger Agreement, and the offering period beginning on June 1, 2014 will be the final offering period under the ESPP. To the extent such offering period has not expired and remains open at the effective time of the Merger, the offering period will terminate immediately prior to the effective time of the Merger and your accumulated payroll deductions will be returned to you. The Questcor ESPP will terminate immediately prior to the effective time of the Merger.

Q: **AS A HOLDER OF QUESTCOR OPTIONS, RESTRICTED STOCK OR RESTRICTED STOCK UNITS, WHAT WILL I RECEIVE UPON THE COMPLETION OF THE MERGER?**

A: As further detailed in the section entitled *The Merger Agreement Treatment of Questcor Stock Options and Other Questcor Equity-Based Awards* , immediately prior to the effective time of the Merger, each Questcor stock option and other equity-based award that is outstanding immediately prior to the effective time of Merger either will be cancelled in exchange for a right to receive the Merger Consideration, net of any applicable exercise price, or will be assumed by Mallinckrodt.

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SUMMARY

This summary highlights selected information included in this document and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents to which we refer before you decide how to vote with respect to the merger-related proposals. In addition, we incorporate by reference important business and financial information about Mallinckrodt and Questcor into this document. For a description of, and how to obtain, this information, see Where You Can Find More Information on page 377 of this joint proxy statement/prospectus. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Merger (page 95)

The terms and conditions of the Merger are contained in the Merger Agreement, which is attached to this document as Annex A. We encourage you to read the Merger Agreement carefully, as it is the legal document that governs the Merger.

Pursuant to the Merger Agreement, Mallinckrodt will acquire Questcor in a merger transaction. Merger Sub will merge with and into Questcor, with Questcor continuing as the surviving corporation. Following the Merger, Questcor will be an indirect wholly owned subsidiary of Mallinckrodt and Questcor common stock will be delisted from the NASDAQ Stock Market, deregistered under the Exchange Act and cease to be publicly traded.

Consideration to Questcor Shareholders (page 95)

Each issued and outstanding share of Questcor common stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Merger Consideration, which is 0.897 of a Mallinckrodt ordinary share and $30.00 in cash.

It is anticipated that Mallinckrodt shareholders and Questcor shareholders, in each case as of immediately prior to the Merger, will hold approximately 50.5% and 49.5%, respectively, of the Mallinckrodt ordinary shares immediately after completion of the Merger. The foregoing expected ownership percentages were calculated based on what holders of shares and awards of Mallinckrodt and Questcor would be expected to own immediately following the completion of the Merger on a fully diluted basis using the treasury stock method. It is currently estimated that, if the Merger is completed, Mallinckrodt will issue or reserve for issuance approximately 59 million Mallinckrodt ordinary shares and that the aggregate cash portion of the Merger Consideration will be approximately $1.88 billion.

No holder of Questcor common stock will be issued fractional Mallinckrodt ordinary shares in the Merger. Each holder of Questcor common stock who would otherwise have been entitled to receive a fraction of a Mallinckrodt ordinary share will receive, in lieu thereof, cash, without interest, in an amount equal to such fractional part of a Mallinckrodt ordinary share multiplied by the volume weighted average price of Mallinckrodt ordinary shares for a ten trading day period, starting with the opening of trading on the eleventh trading day prior to the closing date of the Merger and ending with the closing of trading on the second to last trading day prior to the closing date of the Merger, as reported by Bloomberg.

Treatment of Questcor Stock Options and Other Questcor Equity-Based Awards (page 148)

Stock Options. As of immediately prior to the effective time of the Merger, each outstanding Questcor stock option held by a non-employee director, whether vested or unvested, and each other vested Questcor stock option will be cancelled and converted into the right to receive the Merger Consideration, net of the applicable exercise price. Each

outstanding unvested Questcor stock option (other than any such unvested stock option held by a non-employee director) will be assumed by Mallinckrodt and will be converted into a stock option to acquire

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a number of Mallinckrodt ordinary shares (rounded down to the nearest whole share) equal to the product of (a) the number of shares of Questcor common stock subject to Questcor stock option multiplied by (b) the Equity Award Exchange Ratio. The exercise price per share of the Mallinckrodt stock option will be an amount (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (x) the exercise price per share of the Questcor stock option by (y) the Equity Award Exchange Ratio. Each Mallinckrodt stock option as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Questcor stock option immediately prior to the effective time of the Merger. For purposes of this joint proxy statement/prospectus, Equity Award Exchange Ratio means the sum of (i) 0.897 plus (ii) the quotient obtained by dividing $30.00 by the volume weighted average price of Mallinckrodt ordinary shares over a ten trading day period to be calculated prior to the effective time of the Merger.

Restricted Stock. As of immediately prior to the effective time of the Merger, each outstanding award of restricted shares of Questcor common stock granted to a non-employee director will fully vest and become nonforfeitable, and will be converted into the right to receive the per share Merger Consideration for each share of Questcor common stock underlying the director restricted stock award. As of immediately prior to the effective time of the Merger, each award of restricted shares of Questcor common stock other than those held by non-employee directors will be assumed by Mallinckrodt and will be converted into an award of restricted stock corresponding to a number of Mallinckrodt ordinary shares equal to the product of (a) the number of shares of Questcor common stock subject to the Questcor restricted share award multiplied by (b) the Equity Award Exchange Ratio. Each Mallinckrodt restricted share award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Questcor restricted share award immediately prior to the effective time of the Merger.

Restricted Stock Units. As of immediately prior to the effective time of the Merger, each outstanding and unvested Questcor restricted stock unit award (each, a Questcor RSU Award) will be assumed by Mallinckrodt and will be converted into a Mallinckrodt restricted stock unit award (each, a Mallinckrodt RSU Award) corresponding to a number of Mallinckrodt ordinary shares equal to the product of (a) the number of shares of Questcor common stock underlying the applicable Questcor RSU Award multiplied by (b) the Equity Award Exchange Ratio. Each Mallinckrodt RSU Award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Questcor RSU Award immediately prior to the effective time of the Merger.

Performance-Based Awards. Each Questcor restricted share award and Questcor RSU Award that is subject to performance-based vesting conditions and is outstanding immediately prior to the effective time of the Merger will be cancelled and converted into the right to receive the Merger Consideration in respect of each share of Questcor common stock underlying the Questcor restricted share award or Questcor RSU Award, as applicable.

Comparative Per Share Market Price Information (page 77)

Mallinckrodt ordinary shares are listed on the New York Stock Exchange under the symbol MNK. Questcor common stock is listed on the NASDAQ Stock Market under the symbol QCOR. The following table shows the closing prices of Mallinckrodt ordinary shares and Questcor common stock as reported on the New York Stock Exchange and the NASDAQ Stock Market, respectively, on April 4, 2014, the last trading day before the Merger Agreement was announced, and on July 9, 2014, the last practicable day before the date of this joint proxy statement/prospectus. This table also shows the equivalent value of the consideration per share of Questcor common stock, which was calculated by multiplying the closing price of Mallinckrodt ordinary shares as of the

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specified date by the stock consideration exchange ratio of 0.897 and adding to that product the cash consideration of $30.00.

	Questcor Common Stock	Mallinckrodt Ordinary Shares	Equivalent Value of Merger Consideration Per Questcor Share
April 4, 2014	$ 67.87	$ 62.52	$ 86.08
July 9, 2014	$ 91.60	$ 77.50	$ 99.52

Recommendation of the Mallinckrodt Board of Directors and Mallinckrodt s Reasons for the Merger (page 79)

After careful consideration, the Mallinckrodt board of directors recommends that Mallinckrodt shareholders vote **FOR** the Mallinckrodt Share Issuance Proposal.

In reaching its decision, the Mallinckrodt board of directors considered a number of factors as generally supporting its decision to enter into the Merger Agreement. These factors include, among others, the potential to create an increasingly diversified, high-growth specialty pharmaceuticals company with significantly increased scale, revenues, profitability and cash flow; a broader portfolio (including new therapeutic areas) to deliver sustainable growth and substantial value for shareholders of the combined company; expected operating and tax synergies; an enhanced credit profile and expected accretion to non-GAAP earnings. The Mallinckrodt board of directors also considered a variety of risks and other potentially negative factors concerning the Merger, including, among others, the risk that the Merger might not be completed in a timely manner, risks related to Questcor s business, risks related to regulatory approval necessary to complete the Merger, risks related to certain terms of the Merger Agreement (including restrictions on the conduct of Mallinckrodt s business prior to the completion of the Merger and the requirement that Mallinckrodt pay Questcor a termination fee in certain circumstances), risks related to the diversion of management and resources from other strategic opportunities and challenges and difficulties relating to integrating the operations of Mallinckrodt and Questcor. For a more complete description of Mallinckrodt s reasons for the Merger and the recommendation of the Mallinckrodt board of directors, see *The Merger Recommendation of the Mallinckrodt Board of Directors and Mallinckrodt s Reasons for the Merger* beginning on page 105 of this joint proxy statement/prospectus.

Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger (page 85)

After careful consideration, the Questcor board of directors recommends that Questcor shareholders vote **FOR** the Merger Proposal, **FOR** the Questcor Adjournment Proposal and **FOR** the Merger-Related Named Executive Officer Compensation Proposal.

In reaching its decision, the Questcor board of directors considered a number of factors as generally supporting its decision to enter the Merger Agreement, including, among others, that the Merger Consideration would be payable in a highly liquid stock and cash and, based on the closing price of Mallinckrodt ordinary shares and shares of Questcor common stock as of April 4, 2014 (the last trading day prior to the announcement of the transaction), would represent a premium of approximately 27% over Questcor s closing stock price on April 4, 2014 and a premium of approximately 33% over Questcor s trailing 20-day volume-weighted average stock price, that the mixed equity and cash nature of the Merger Consideration offers Questcor shareholders the opportunity to participate in the future

earnings and growth of the combined company, while also providing a substantial cash payout, the Questcor board of directors belief that the Merger would create a diversified, high-growth specialty pharmaceutical company with substantially increased scale, diversification, revenues, profitability and cash flow which would provide a strong, sustainable platform for future revenue and earnings

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growth and that the combined company would have a more efficient tax structure than Questcor on a standalone basis. The Questcor board of directors also considered a variety of risks and other potentially negative factors concerning the Merger, including, among others, the risk that the Merger might not be completed in a timely manner, risks related to Mallinckrodt s business, risks related to regulatory approvals necessary to complete the Merger, risks related to certain terms of the Merger Agreement (including restrictions on the conduct of Questcor s business prior to the completion of the Merger and the requirement that Questcor pay Mallinckrodt a termination fee in certain circumstances), risks related to the diversion of management and resources from other strategic opportunities and challenges and difficulties relating to integrating the operations of Mallinckrodt and Questcor. For a more complete description of Questcor s reasons for the combination and the recommendations of the Questcor board of directors, see *The Merger Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger* beginning on page 109 of this joint proxy statement/prospectus.

Opinion of Mallinckrodt s Financial Advisor (page 113)

Mallinckrodt engaged Barclays Capital Inc. (Barclays) to act as its financial advisor with respect to the acquisition of Questcor. On April 5, 2014, Barclays rendered its oral opinion (which was subsequently confirmed in writing on the same date) to the Mallinckrodt board of directors, to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Merger Consideration, which consists of: (i) $30.00 in cash and (ii) 0.897 Mallinckrodt ordinary shares, to be paid by Mallinckrodt in the Merger, is fair, from a financial point of view, to Mallinckrodt. The full text of Barclays written opinion, dated as of April 5, 2014, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety.

For a description of the opinion that Mallinckrodt received from Barclays, see *The Merger Opinion of Mallinckrodt s Financial Advisor* beginning page 113 of this joint proxy statement/prospectus.

Opinion of Questcor s Financial Advisor (page 124)

In connection with the Merger, Centerview Partners LLC (Centerview), Questcor s financial advisor, delivered to the Questcor board of directors on April 5, 2014, its opinion as to the fairness, from a financial point of view, to holders of Questcor common stock (other than the excluded shares, which for the purposes of this section, *The Merger Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger* and *The Merger Opinion of Questcor s Financial Advisor*, shall mean shares of Questcor common stock held by any subsidiary of Questcor, Mallinckrodt, Merger Sub or by any of their respective subsidiaries along with any shares of Questcor common stock held by an affiliate of Mallinckrodt or Merger Sub) of the combined per share consideration (as defined below) proposed to be paid to such holders pursuant to the Merger Agreement. For the purposes of this section, *The Merger Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger* and *The Merger Opinion of Questcor s Financial Advisor* , the combined per share consideration is a unit consisting of (i) $30.00 in cash and (ii) 0.897 validly issued, fully paid and nonassessable ordinary shares, par value $0.20 per share of Mallinckrodt, taken together and not separately. The full text of Centerview s written opinion dated April 5, 2014, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. Centerview s opinion was provided for the information and assistance of the Questcor board of directors (in their capacity as directors and not in any other capacity) in connection with and for purposes of its evaluation of the transaction, and did not address any other term or aspect of the Merger Agreement or the transaction. Centerview expressed no view as to, and its opinion did not address, Questcor s underlying business decision to proceed with or

effect the transaction, or the relative merits of the transaction as compared to any alternative business strategies or transactions that might be available to Questcor in

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which Questcor might engage. Centerview s opinion does not constitute a recommendation to any shareholder of Questcor or any other person as to how such shareholder or other person should vote with respect to the Merger or otherwise act with respect to the Merger or any other matter.

We encourage you to carefully read the written opinion of Centerview described above in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Centerview in connection with such opinion.

For a description of the opinion that Questcor received from Centerview, see *The Merger Opinion of Questcor s Financial Advisor* beginning on page 124 of this joint proxy statement/prospectus.

Mallinckrodt Extraordinary General Meeting of Shareholders (page 79)

The Mallinckrodt EGM will be held on August 14, 2014, at 3:00 p.m. (local time) at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland. At the Mallinckrodt EGM, Mallinckrodt shareholders will be asked to approve the Mallinckrodt Share Issuance Proposal.

The Mallinckrodt board of directors has fixed the close of business on July 9, 2014 as the record date for determining the holders of Mallinckrodt ordinary shares entitled to receive notice of and to vote at the Mallinckrodt EGM. As of the Mallinckrodt record date, there were 58,564,819 Mallinckrodt ordinary shares outstanding and entitled to vote at the Mallinckrodt EGM held by a total of 3,369 registered holders. Each Mallinckrodt ordinary share entitles the holder to one vote on the Mallinckrodt Share Issuance Proposal to be considered at the Mallinckrodt EGM. As of the Mallinckrodt record date, directors and executive officers of Mallinckrodt and their affiliates owned and were entitled to vote less than 0.5 million Mallinckrodt ordinary shares, representing less than 0.8% of Mallinckrodt ordinary shares outstanding on that date. Mallinckrodt currently expects that Mallinckrodt s directors and executive officers will vote all their ordinary shares in favor of the Mallinckrodt Share Issuance Proposal, although none of them has entered into any agreements obligating them to do so.

Approval of the Mallinckrodt Share Issuance Proposal requires the affirmative vote of at least a majority of the votes cast, either in person or by proxy, by shareholders entitled to vote on the proposals at the Mallinckrodt EGM.

Under the Mallinckrodt articles of association, the Chairman of the Mallinckrodt EGM may at any time adjourn the Mallinckrodt EGM if, in his opinion, it would facilitate the conduct of the business of the Mallinckrodt EGM to do so or if he is so directed by the Mallinckrodt board of directors. Pursuant to this authority, the Mallinckrodt EGM may be adjourned to, among other things, solicit proxies if there are not sufficient votes at the time of the Mallinckrodt EGM in favor of the Mallinckrodt Share Issuance Proposal.

Questcor Special Meeting of Shareholders (page 85)

The Questcor special meeting will be held at 8:00 a.m., local time, on August 14, 2014, at the offices of Latham & Watkins LLP, located at 650 Town Center Drive, 20th Floor, Costa Mesa, California, 92626. At the Questcor special meeting, Questcor shareholders will be asked to approve the Merger Proposal, the Questcor Adjournment Proposal and the Merger-Related Named Executive Officer Compensation Proposal.

The Questcor board of directors has fixed the close of business on July 9, 2014 as the record date for determining the holders of shares of Questcor common stock entitled to receive notice of and to vote at the Questcor special meeting. Only holders of record of shares of Questcor common stock at the close of business on the Questcor record date will be entitled to notice of and to vote at the Questcor special meeting and any adjournment or postponement thereof. As

of the Questcor record date, there were 61,420,933 shares of Questcor

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common stock outstanding and entitled to vote at the Questcor special meeting held by 592 holders of record. Each share of Questcor common stock entitles the holder to one vote on each proposal to be considered at the Questcor special meeting. As of the record date, directors and executive officers of Questcor and their affiliates owned and were entitled to vote 3,062,179 shares of Questcor common stock, representing approximately 5% of the shares of Questcor common stock outstanding on that date. Questcor currently expects that Questcor s directors and executive officers will vote their shares in favor of the Merger Proposal, the Questcor Adjournment Proposal and the Merger-Related Named Executive Officer Compensation Proposal, although none of them has entered into any agreements obligating them to do so.

Approval of the Merger Proposal requires the affirmative vote of a majority of the outstanding shares of Questcor common stock entitled to vote on the Merger Proposal at the Questcor special meeting. Approval of the Questcor Adjournment Proposal requires the affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Questcor Adjournment Proposal present, either in person or by proxy, at the Questcor special meeting. Approval of the Merger-Related Named Executive Officer Compensation Proposal requires the affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Merger-Related Named Executive Officer Compensation Proposal present, either in person or by proxy, at the Questcor special meeting.

Support Agreement (page 144)

On April 23, 2014, Mallinckrodt and Paulson entered into the Support Agreement, pursuant to which Paulson has agreed, among other things, to vote all of the Mallinckrodt ordinary shares and shares of Questcor common stock beneficially owned by it in favor of the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM (unless there has been a Mallinckrodt change of recommendation (as described below under *The Merger Agreement Covenants and Agreements No Solicitation; Third Party Acquisition Proposals*)), and in favor of the Merger Proposal at the Questcor special meeting (unless there has been a Questcor change of recommendation (as described below under *The Merger Agreement Covenants and Agreements No Solicitation; Third Party Acquisition Proposals*)). For additional information, see *The Merger Support Agreement.*

Interests of Questcor s Directors and Executive Officers in the Transaction (page 139)

In considering the recommendation of the Questcor board of directors that Questcor shareholders vote to approve the Merger, you should be aware that some of Questcor s directors and executive officers have interests in the Merger that are different from, or in addition to, the interests of Questcor s shareholders generally. Interests of directors and officers that may be different from or in addition to the interests of Questcor s shareholders include, but are not limited to:

- The Merger Agreement provides for conversion of all Questcor stock options and restricted stock into either Merger Consideration or corresponding equity awards of Mallinckrodt.

- Questcor s executive officers are parties to severance, change in control, bonus award or employment agreements with Questcor that provide for severance benefits in the event of certain qualifying terminations of employment in connection with or following the Merger, and are eligible to receive a pro rata bonus in connection with the Merger. In addition, certain of Questcor s executive officers may be eligible to receive a tax gross-up payment to cover taxes that could be imposed if any payments due to the executive are considered to be excess parachute payments subject to excise tax under Section 4999 of the Internal Revenue

Code.

Certain of Questcor s directors will continue to serve as directors of Mallinckrodt following the closing of the Merger.

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Questcor s directors and executive officers are entitled to continued indemnification and insurance coverage under the Merger Agreement.

These interests are discussed in more detail in the section entitled *The Merger Interests of Questcor s Directors and Executive Officers in the Transaction* beginning on page 139 of this joint proxy statement/prospectus. The members of the Questcor board of directors were aware of the different or additional interests set forth herein and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement and the Merger, and in recommending to the shareholders of Questcor that the Merger Proposal be approved.

Board of Directors and Management after the Transaction (page 139)

Upon completion of the Merger, the combined company will be led by Mark Trudeau, President and Chief Executive Officer of Mallinckrodt. It is expected that, following the completion of the Merger, the Mallinckrodt board of directors will be increased to twelve members, with the addition of three directors from Questcor. The three directors will be Mr. Bailey and two current, independent directors of Questcor: Angus C. Russell and Virgil D. Thompson. Melvin D. Booth, the current Chairman of the Mallinckrodt board of directors, will continue in that role after the transaction is completed.

Upon completion of the Merger, Questcor s commercial operations will function as a separate business unit within Mallinckrodt s Specialty Pharmaceuticals segment reporting directly to Mr. Trudeau. Mallinckrodt expects to add Questcor executives to Mallinckrodt s leadership team; these individual appointments will be announced at a later date.

For additional information, see *The Merger Board of Directors and Management after the Transaction*.

Regulatory Approval Required (page 142)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and the rules and regulations promulgated thereunder by the U.S. Federal Trade Commission (the FTC), the Merger cannot be consummated until, among other things, notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the U.S. Department of Justice (the Antitrust Division) and all applicable waiting periods have expired or been terminated.

On April 18, 2014, each of Mallinckrodt and Questcor filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC, and on May 9, 2014, the FTC granted early termination of the waiting period under the HSR Act with respect to the Merger.

Dissenters Rights of Questcor Shareholders (page 375)

Questcor shareholders who do not wish to accept the Merger Consideration and who affirmatively vote against the approval of the Merger Proposal will have the right to demand that Questcor repurchase the shares of Questcor common stock owned by them at their fair market value if the Merger is completed, but only if such shareholders properly perfect their dissenters rights by complying with all of the required procedures under Chapter 13 of the CGCL. The shares subject to such repurchase are called dissenting shares.

The text of the CGCL governing dissenting shareholder rights is attached to this proxy statement as Annex D. Your failure to comply with the procedures described in Annex D will result in the loss of your dissenting shareholder rights.

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No Solicitation; Third Party Acquisition Proposals (page 161)

Under the terms of the Merger Agreement, each of Mallinckrodt and Questcor has agreed that it will not (and will not permit any of its subsidiaries to, and that it will cause its directors, officers and employees not to, and that it will use its reasonable best efforts to cause its other representatives not to), directly or indirectly, initiate, solicit, knowingly encourage, knowingly facilitate, or engage in discussions or negotiations regarding any inquiry, proposal or offer, or have any discussions with any person relating to, or engage or participate in any negotiations regarding, or furnish to any person or entity any nonpublic information relating to it or any of its respective subsidiaries in connection with, a competing acquisition proposal, engage in discussions with any person or entity with respect to any competing acquisition proposal, except as required by the duties of the members of its board of directors under applicable laws, waive, terminate, modify or release any person or entity from any provision of any standstill or similar agreement, approve or recommend (or propose such action publicly) any competing acquisition proposal, withdraw, change, amend, modify or qualify (or propose such action publicly), in a manner adverse to the other party, the recommendation of its board of directors to vote in favor of its respective proposals or enter into any letter of intent or similar document relating to any agreement or commitment providing for a competing acquisition proposal.

Nevertheless, Mallinckrodt and Questcor may (i) seek to clarify and understand the terms and conditions of any inquiry or proposal solely to determine whether such inquiry or proposal constitutes or could reasonably be expected to lead to a superior proposal (as defined in *The Merger Agreement Covenants and Agreements*) and (ii) inform a person or entity that has made or, to its knowledge, is considering making a competing acquisition proposal of the non-solicitation provisions of the Merger Agreement.

If Mallinckrodt or Questcor receives, prior to obtaining approval of the Mallinckrodt Share Issuance Proposal or the Merger Proposal, as applicable, a bona fide, unsolicited, written competing acquisition proposal, which its board of directors determines in good faith after consultation with its outside legal and financial advisors (i) constitutes a superior proposal or (ii) would reasonably be expected to result in a superior proposal, after furnishing additional nonpublic information to the person or entity making such offer or engaging in discussions or negotiations with such party as described in (x) or (y) below, then in either event (if it has not materially breached the non-solicitation provisions of the Merger Agreement with respect to or in a manner that otherwise relates to such competing acquisition proposal) it may take the following actions: (x) furnish nonpublic information to the person or entity making such competing acquisition proposal, if, and only if, prior to furnishing such information, it receives from such person or entity an executed confidentiality agreement with confidentiality terms that are no less favorable, in the aggregate to it, than those contained in the confidentiality agreement between Mallinckrodt and Questcor (provided, however, that the confidentiality agreement is not required to contain standstill provisions) and (y) engage in discussions or negotiations with such person or entity with respect to the competing acquisition proposal.

Change of Recommendation (page 162)

The Mallinckrodt board of directors and the Questcor board of directors are entitled to approve or recommend, or propose publicly to approve or recommend, a competing acquisition proposal or withdraw, change, amend, modify or qualify its recommendation, in a manner adverse to the other party, prior to the approval of the Mallinckrodt Share Issuance Proposal or the Merger Proposal, as applicable, if:

following receipt of a bona fide, unsolicited, written competing acquisition proposal, which such board of directors determines in good faith after consultation with its outside legal and financial advisors is a superior proposal, and if (x) the party receiving such a proposal did not solicit, encourage or facilitate such competing

acquisition proposal as a result of a material breach of the non-solicitation provisions of the Merger Agreement and (y) its board of directors has determined in good faith after consultation with its outside legal counsel that the failure to take such action would constitute a breach of the duties of the members of the board of directors under applicable laws (such a change of recommendation, an acquisition proposal change of recommendation); or

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in response to a change, effect, development, circumstance, condition, state of facts, event or occurrence that was not known to the board of directors, or the material consequences of which (based on facts known to members of the board of directors as of the date of the Merger Agreement) were not reasonably foreseeable, as of the date of the Merger Agreement (an intervening event and such a change of recommendation, an intervening event change of recommendation, and an intervening event change of recommendation or an acquisition proposal change of recommendation, a change of recommendation).

However, prior to making such a change of recommendation, the party making such a change of recommendation must provide the other party with four business days prior written notice (subject to new three business day notice periods for material amendments to the consideration offered by a competing acquisition proposal) advising the other party of the intent to make such a change of recommendation and specifying, in reasonable detail, the reasons (including the material facts and circumstances related to the applicable intervening event or competing acquisition proposal), and during such four business day period (or subsequent three business day period), the changing party will consider in good faith any proposal by the other to amend the terms and conditions of the Merger Agreement such that the competing acquisition proposal would no longer constitute a superior proposal or to obviate the need to effect a change of recommendation due to the intervening event.

No change of recommendation will relieve Mallinckrodt from its obligations to submit the Mallinckrodt Share Issuance Proposal to a vote of its shareholders at the Mallinckrodt EGM, nor relieve Questcor from its obligations to submit the Merger Proposal to a vote of its shareholders at the Questcor special meeting.

Conditions to the Completion of the Merger (page 164)

Under the Merger Agreement, the respective obligations of each party to effect the Merger are subject to the satisfaction or waiver on or prior to the closing date of the Merger of the following conditions:

approval of the Mallinckrodt Share Issuance Proposal and the Merger Proposal;

the effectiveness of the registration statement on Form S-4 of which this document forms a part and no stop order suspending the effectiveness of such registration statement having been issued by the Securities and Exchange Commission (the SEC) and remaining in effect and no proceeding to that effect having been commenced or threatened;

the absence of any injunction or other legal prohibition or restraint on the Merger;

authorization for listing on the New York Stock Exchange of the Mallinckrodt ordinary shares to be issued in the Merger, subject to official notice of issuance;

(i) any applicable waiting period relating to the Merger under the HSR Act has expired or been terminated and (ii) no legal proceeding by a governmental entity under any antitrust law of the United States is threatened in writing or pending against Questcor, Mallinckrodt or Merger Sub that is reasonably likely to temporarily or permanently enjoin, restrain or prevent the consummation of the Merger; and

Mallinckrodt shall not, as a result of any adoption, implementation, promulgation, repeal, modification, amendment, or change of any applicable law of or by any governmental entity following the date of the Merger Agreement and prior to the closing date of the Merger, be treated as a domestic corporation for U.S. federal income tax purposes as of or after the closing date of the Merger.

In addition, Mallinckrodt s and Merger Sub s obligations to effect the Merger are conditioned upon:

the accuracy of Questcor s representations and warranties, subject to specified materiality standards;

the performance by Questcor of its obligations and covenants under the Merger Agreement in all material respects;

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the delivery by Questcor of an officer s certificate certifying such accuracy of its representations and warranties and such performance of its obligations and covenants; and

since the date of the Merger Agreement, no material adverse effect on Questcor having occurred and be continuing.

In addition, Questcor s obligation to effect the Merger is conditioned upon:

the accuracy of Mallinckrodt s and Merger Sub s representations and warranties, subject to specified materiality standards;

the performance by Mallinckrodt and Merger Sub of their obligations and covenants under the Merger Agreement in all material respects;

the delivery by Mallinckrodt of an officer s certificate certifying such accuracy of such representations and warranties and such performance of such obligations and covenants; and

since the date of the Merger Agreement, no material adverse effect on Mallinckrodt having occurred and be continuing.

See *The Merger Agreement Conditions to the Completion of the Merger.*

Termination of the Merger Agreement; Termination Fees (page 166)

Termination

The Merger Agreement may be terminated and the Merger and the other transactions abandoned (except as provided below, whether before or after receipt of the approval of the Merger Proposal by the Questcor shareholders or the Mallinckrodt Share Issuance Proposal by the Mallinckrodt shareholders, if applicable) as follows:

by mutual written consent of Mallinckrodt and Questcor;

by either Mallinckrodt or Questcor:

if the other party breaches any representation, warranty, covenant or agreement set forth in the Merger Agreement, which breach would result in the conditions to the consummation of the Merger not being satisfied (and such breach is not curable prior to October 6, 2014 (the Outside Date), or, if curable prior to the Outside Date, has not been cured within the earlier of 30 calendar days after receipt of notice thereof by the defaulting party from the non-defaulting party or three business days before the Outside Date), so long as the terminating party is not then in material breach of any representation,

warranty, covenant or agreement set forth in the Merger Agreement;

if the effective time of the Merger has not occurred by midnight, Eastern time, on the Outside Date, provided that this right to terminate the Merger Agreement may not be exercised by a party whose breach of any representation, warranty, covenant or agreement in the Merger Agreement is the cause of, or resulted in, the effective time of the Merger not occurring prior to the Outside Date. However, either Mallinckrodt or Questcor may within three business days immediately prior to October 6, 2014 elect to extend the Outside Date by delivering written notice to the other party stating that if on October 6, 2014 the only conditions to closing that have not been satisfied or waived (other than those that by their nature are to be satisfied at the closing, which conditions must be capable of being satisfied) are conditions relating to HSR clearance and the absence of any orders or injunctions under antitrust laws, then the Outside Date will be extended by three months to January 6, 2015. In addition, if the marketing period (described below) will have begun but not been completed by the Outside Date, then the Outside Date will be extended by the number of days remaining in the marketing period as of the Outside Date plus three business days;

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if a governmental entity of competent jurisdiction, that is within a jurisdiction that is material to the business and operations of Mallinckrodt and Questcor, taken together, has issued a final, non-appealable order, injunction, decree or ruling in each case permanently restraining, enjoining or otherwise prohibiting the consummation of the Merger; or

if (i) after completion of the Questcor special meeting, or at any adjournment or postponement thereof, the Questcor shareholder approval has not been obtained, in each case at which a vote on such approval was taken, or (ii) after completion of the Mallinckrodt EGM, or at any adjournment or postponement thereof, the Mallinckrodt shareholder approval has not been obtained, in each case at which a vote on such approval was taken;

by Mallinckrodt, if, prior to the approval of the Merger Proposal, the Questcor board of directors effects a change of recommendation. This termination right expires at 5:00 p.m. (New York City time) on the fifteenth business day following the date on which such change in Questcor recommendation occurs; or

by Questcor, if, prior to the approval of the Mallinckrodt Share Issuance Proposal, the Mallinckrodt board of directors effects a change of recommendation. This termination right expires at 5:00 p.m. (New York City time) on the fifteenth business day following the date on which such change in Mallinckrodt recommendation occurs.

Termination Fees Payable by Mallinckrodt

The Merger Agreement requires Mallinckrodt to pay Questcor a termination fee of $131,450,000 if:

Mallinckrodt or Questcor terminates the Merger Agreement due to the failure of the Merger to occur by the Outside Date or the failure to obtain the approval of the Mallinckrodt Share Issuance Proposal, and an acquisition proposal for Mallinckrodt by a third party for more than 50% of the assets, equity interests or business of Mallinckrodt has been publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the Mallinckrodt EGM and (x) any such acquisition proposal is consummated within twelve months of such termination or (y) Mallinckrodt enters into a definitive agreement providing for any such acquisition proposal within twelve months of such termination and such acquisition proposal is consummated; or

Questcor terminates the Merger Agreement because the Mallinckrodt board of directors effects a Mallinckrodt acquisition proposal change of recommendation or a Mallinckrodt intervening event change of recommendation prior to the approval of the Mallinckrodt Share Issuance Proposal.

The Merger Agreement requires Mallinckrodt to pay Questcor a termination fee of $37,560,000 if either Mallinckrodt or Questcor terminates the Merger Agreement because the Mallinckrodt Share Issuance Proposal is not approved by the Mallinckrodt shareholders at the Mallinckrodt EGM, or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken. To the extent this $37,560,000 termination fee becomes payable, any payment made for this reason will be credited against Mallinckrodt s obligation to pay the $131,450,000 termination fee described above, if it becomes payable.

Termination Fees Payable by Questcor

The Merger Agreement requires Questcor to pay Mallinckrodt a termination fee of $194,470,000 if:

Mallinckrodt or Questcor terminates the Merger Agreement due to the failure of the Merger to occur by the Outside Date or the failure to obtain the approval of the Merger Proposal and an acquisition proposal for Questcor by a third party for more than 50% of the assets, equity interests or business of Questcor has been publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the Questcor special meeting and (x) any such acquisition proposal is consummated within twelve months of such termination or (y) Questcor enters into a definitive agreement providing for any such acquisition proposal within twelve months of such termination and such acquisition proposal is consummated; or

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Mallinckrodt terminates the Merger Agreement because the Questcor board of directors effects a Questcor acquisition proposal change of recommendation or a Questcor intervening event change of recommendation prior to the approval of the Merger Proposal.

The Merger Agreement requires Questcor to pay Mallinckrodt a termination fee of $55,560,000 if either Mallinckrodt or Questcor terminates the Merger Agreement because the Merger Proposal is not approved by the Questcor shareholders at Questcor s special meeting, or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken. To the extent this $55,560,000 termination fee becomes payable, any payment made for this reason will be credited against Questcor s obligation to pay the $194,470,000 termination fee described above, if it becomes payable.

See *The Merger Agreement Termination of the Merger Agreement; Termination Fees*.

Litigation Relating to the Transaction (page 170)

Since the announcement of the Merger on April 7, 2014, at least ten putative class actions have been filed on behalf of alleged Questcor shareholders in the Superior Court of the State of California, County of Orange, under the following captions: *Hansen v. Thompson, et al.,* Case No. 30-2014-00716108-CU-SL-CXC, filed April 7, 2014; *Heng v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00716117-CU-BT-CXC, filed April 8, 2014; *Buck v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00716694-CU-SL-CXC, filed April 10, 2014; *Ellerbeck v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00717130-CU-SL-CXC, filed April 11, 2014; *Yokem v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00717153-CU-SL-CXC, filed April 11, 2014; *Richter v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00716761-CU-SL-CXC, filed April 11, 2014; *Tramantano v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00716638-CU-BT-CXC, filed April 15, 2014; *Crippen v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00718491-CU-BT-CXC, filed April 23, 2014; *Patel v. Questcor Pharmaceuticals, Inc., et al*., Case No. 30-2014-00722866-CU-BT-CXC, filed May 8, 2014; and *Postow v. Questcor Pharmaceuticals, Inc., et al*., Case No. 30-2014-00722897-CU-SL-CXC, filed May 12, 2014. On June 3, 2014, the California Superior Court issued a ruling consolidating the foregoing lawsuits under the *Hansen* caption and appointing lead plaintiff and co-lead counsel. On June 12, 2014, lead plaintiffs filed a consolidated amended complaint (the Consolidated Complaint). On June 27, 2014, the California court entered a stipulated scheduling order that, among other things, scheduled a hearing on plaintiffs anticipated motion for a preliminary injunction on August 1, 2014.

The Consolidated Complaint names as defendants the members of the Questcor board of directors, and alleges that Questcor s directors breached their fiduciary duties to Questcor s shareholders in connection with the Merger because, among other things, the Merger allegedly involves an unfair price, an inadequate sales process, self-dealing, and unreasonable deal protection devices. The Consolidated Complaint also alleges that the Questcor directors breached their fiduciary duties by failing to disclose purportedly material information to shareholders in connection with the Merger. The Consolidated Complaint also alleges that Mallinckrodt and Merger Sub aided and abetted these purported breaches of fiduciary duty. The Consolidated Complaint seeks, among other things, an order enjoining or rescinding the Merger and an award of attorney s and other fees and costs.

On April 9 and 15, 2014, a law firm sent substantially identical letters to the Questcor board of directors, each letter on behalf of a different purported Questcor shareholder (the Demand Letters). The Demand Letters request that the board take certain actions in connection with the Merger, and indicate that in the event that the board does not take such actions, the shareholders will file a lawsuit seeking the same relief sought in the Complaints. Both shareholders have now filed complaints (the *Heng* and *Crippen* actions).

On April 29, 2014, plaintiffs in the federal derivative action captioned *In re Questcor Pharmaceuticals, Inc. Shareholder Derivative Litigation,* pending in the United States District Court for the Central District of

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California, (the Derivative Action) filed an ex parte application to lift the stay in the Derivative Action to add claims challenging the Merger. The plaintiffs sought to add allegations challenging, among other things, the consideration agreed to in the proposed transaction and the purported failure by the Questcor board of directors to independently value the derivative claims. On May 1, 2014, the plaintiffs also noticed a motion seeking the same relief. On May 2, 2014, the court denied plaintiffs ex parte motion. On May 16, 2014, plaintiffs voluntarily withdrew their noticed motion.

Questcor and Mallinckrodt believe that the Consolidated Complaint has no merit and intend to defend vigorously against it.

Financing Relating to the Transaction (page 143)

Mallinckrodt anticipates that the total funds needed to complete the transactions will be funded through a combination of:

- available cash on hand of Mallinckrodt; and
- third-party debt financing which may include some combination of the following: a senior secured term loan credit facility, senior unsecured notes, a senior unsecured bridge loan facility, an accounts receivable securitization facility and other sources of financing.

On April 5, 2014, Mallinckrodt International Finance S.A., a wholly owned subsidiary of Mallinckrodt, obtained a debt commitment letter, which is referred to in this joint proxy statement/prospectus as the debt commitment letter, from certain financial institutions, which are referred to in this joint proxy statement/prospectus as the Commitment Parties, pursuant to which the Commitment Parties agreed to provide up to $1.35 billion in aggregate principal amount of a senior secured term loan credit facility and a $500 million unsecured bridge loan facility, which bridge loans would only be extended in the event Mallinckrodt International Finance S.A. is unable to raise such amount by issuing debt securities.

Each Commitment Party s commitments with respect to the financing contemplated by the debt commitment letter, and each Commitment Party s agreements to perform the services described in the debt commitment letter, will automatically terminate on the earliest of (i) October 7, 2014, subject to extension to match the date immediately following the Outside Date if the Outside Date is extended to January 6, 2015 (or to the extent that the marketing period has begun but not been completed by the Outside Date, then such date will be further extended by the number of days remaining in the marketing period as of the Outside Date plus three business days), (ii) the consummation of the Merger without (x) in the case of the senior credit facility, the use of the senior credit facility or (y) in the case of the bridge facility, the use of the bridge facility, and (iii) the date of termination of the Merger Agreement in accordance with its terms (other than with respect to terms that survive such termination).

The definitive documentation governing the debt financing has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described in this joint proxy statement/prospectus. Although the debt financing described in this joint proxy statement/prospectus is not subject to due diligence or market out, such financing may not be considered assured. The obligation of the Commitment Parties to provide debt financing under the debt commitment letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be funded when required. As of the date of this joint proxy statement/prospectus, no alternative financing arrangements or alternative financing plans have been made in the

event the debt financing described in this joint proxy statement/prospectus is not available.

For additional information, see *The Merger Financing Relating to the Transaction.*

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Accounting Treatment of the Transaction (page 144)

Mallinckrodt will account for the acquisition pursuant to the Merger Agreement and using the acquisition method of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Mallinckrodt will measure the assets acquired and liabilities assumed at their fair values including net tangible and identifiable intangible assets acquired and liabilities assumed as of the closing of the transaction. Any excess of the purchase price over those fair values will be recorded as goodwill.

Mallinckrodt has been determined to be the acquirer for accounting purposes. This determination is based upon Mallinckrodt being the entity that retains the greatest share of equity and being the entity that transfers the cash for the acquisition. Additionally, from a qualitative analysis, Mallinckrodt will retain 9 of the total 12 board seats, preserve its board of directors and audit committee chairs, as well as the critical leadership positions such as chief executive officer and chief financial officer.

Definite lived intangible assets will be amortized over their estimated useful lives. Intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually. All intangible assets and goodwill are also tested for impairment when certain indicators are present.

The purchase price reflected in the unaudited pro forma condensed combined financial statements is based on preliminary estimates using assumptions Mallinckrodt management believes are reasonable based on currently available information. The final purchase price and fair value assessment of assets and liabilities will be based in part on a detailed valuation which has not yet been completed. As such, the amounts assigned to the acquired assets and liabilities may be materially different than those reflected in the unaudited pro forma condensed combined financial statements.

Certain Tax Consequences of the Transaction U.S. Federal Income Tax Considerations (page 171)

The receipt of cash and Mallinckrodt ordinary shares for Questcor common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. Under such treatment, in general, for U.S. federal income tax purposes, a U.S. holder will recognize gain or loss equal to the difference between the sum of the fair market value of Mallinckrodt ordinary shares and the amount of cash (including cash received in lieu of fractional Mallinckrodt ordinary shares) received in the Merger and the aggregate tax basis in the Questcor common stock surrendered in the Merger. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder s holding period for Questcor common stock surrendered exceeds one year at the effective time of the Merger. Certain non-corporate U.S. holders (including individuals) are eligible for preferential rates applicable to long-term capital gain. The deductibility of capital losses is subject to limitations.

A non-U.S. holder generally will not be subject to U.S. federal income tax on any gain recognized in the Merger other than in certain specific circumstances, as further described under *Certain Tax Consequences of the Merger U.S. Federal Income Tax Consequences of the Merger Tax Consequences to Non-U.S. Holders*.

Questcor shareholders should consult their tax advisors as to the particular tax consequences to them of the transaction, including the effect of U.S. federal, state and local tax laws and foreign tax laws. For a more detailed discussion of the material U.S. federal income tax consequences of the Merger, see *Certain Tax Consequences of the Merger U.S. Federal Income Tax Considerations.*

Comparison of the Rights of Holders of Mallinckrodt Ordinary Shares and Questcor Common Stock (page 316)

As a result of the transaction, the holders of Questcor common stock will become holders of Mallinckrodt ordinary shares and their rights will be governed by Irish law (instead of California law) and by the memorandum

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and articles of association of Mallinckrodt (instead of Questcor s articles of incorporation and bylaws). The memorandum and articles of association of Mallinckrodt are incorporated by reference herein. Following the transaction, former Questcor shareholders will have different rights as Mallinckrodt shareholders than they had as Questcor shareholders. Material differences between the rights of shareholders of Questcor and the rights of shareholders of Mallinckrodt include differences with respect to, among other things, consolidation and division of shares, reduction of share capital, distributions, dividends, repurchases and redemptions, dividends in shares / bonus issues, the election of directors, the removal of directors, the fiduciary and statutory duties of directors, conflicts of interests of directors, the indemnification of directors and officers, limitations on director liability, the convening of annual meetings of shareholders and special shareholder meetings, notice provisions for meetings, the adjournment of shareholder meetings, the exercise of voting rights, shareholder action by written consent, shareholder suits, shareholder approval of certain transactions, rights of inspection of books and records, rights of dissenting shareholders, anti-takeover measures and provisions relating to the ability to amend the articles of association. For a summary of the material differences between the rights of Questcor shareholders and Mallinckrodt shareholders, see *Description of Mallinckrodt Ordinary Shares* and *Comparison of the Rights of Holders of Mallinckrodt Ordinary Shares and Questcor Common Stock*.

Information about the Companies (page 94)

Mallinckrodt

Mallinckrodt plc

Damastown, Mulhuddart

Dublin 15, Ireland

Telephone: +353 (1) 880-8180

Mallinckrodt was incorporated in Ireland on January 9, 2013 for the purpose of holding the former pharmaceuticals business of Covidien. On June 28, 2013, Covidien shareholders of record received one Mallinckrodt ordinary share for every eight ordinary shares of Covidien held as of the record date for the distribution, June 19, 2013, and the former pharmaceuticals business of Covidien was transferred to Mallinckrodt on June 28, 2013, thereby completing its legal separation from Covidien. Mallinckrodt is a global company that develops, manufactures, markets and distributes both branded and specialty generic pharmaceuticals, active pharmaceutical ingredients and diagnostic imaging agents. Mallinckrodt ordinary shares are listed on the New York Stock Exchange under the symbol MNK.

Merger Sub

Quincy Merger Sub, Inc.

c/o Mallinckrodt plc

675 James S. McDonnell Boulevard

Hazelwood, Missouri 63042

Telephone: (314) 654-2000

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Merger Sub is a Delaware corporation and currently a direct wholly owned subsidiary of Mallinckrodt. Merger Sub was incorporated on April 4, 2014 for the purposes of effecting the Merger. To date, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the Merger Agreement, the preparation of applicable filings under U.S. securities laws and regulatory filings made in connection with the proposed transaction.

Questcor

Questcor Pharmaceuticals, Inc.

1300 North Kellogg Drive, Suite D

Anaheim, California 92807

Telephone: (714) 786-4899

Questcor incorporated in California in September 1992 as Cypros Pharmaceutical Corporation and, in November 1999, changed its name to Questcor Pharmaceuticals, Inc. Questcor is a biopharmaceutical company focused on the treatment of patients with serious, difficult to treat autoimmune and inflammatory disorders. Questcor and its subsidiaries develop, manufacture and sell its primary marketed branded product, Acthar, which has approved by the U.S. Food and Drug Administration for the treatment of 19 indications. Questcor also supplies specialty contract manufacturing services to the global pharmaceutical and biotechnology industry through its wholly owned subsidiary, BioVectra Inc. Questcor s sales and marketing teams are focused on increasing the usage of Acthar among specialists who treat patients with multiple sclerosis, infantile spasms, proteinuria in the nephrotic syndrome of the idiopathic type, dermatomyositis, polymyositis and in certain rheumatology related conditions. In addition, Questcor s research and development personnel are working to explore promising additional uses for Acthar for a variety of other conditions.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this document, including the matters addressed under the caption Cautionary Statement Regarding Forward-Looking Statements, Mallinckrodt shareholders should carefully consider the following risks in deciding whether to vote for the approval of the Mallinckrodt Share Issuance Proposal, and Questcor shareholders should carefully consider the following risks in deciding whether to vote for the approval of the Merger Proposal and the Merger-Related Named Executive Officer Compensation Proposal. You should also consider the other information in this document and the other documents incorporated by reference into this document. See Where You Can Find More Information.

Risks Related to the Transaction

Because the market price of Mallinckrodt ordinary shares will fluctuate, Questcor shareholders cannot be sure of the market price of the Mallinckrodt ordinary shares they will receive.

As a result of the Merger, each issued and outstanding share of Questcor common stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Merger Consideration.

The market price of Mallinckrodt ordinary shares, which Questcor shareholders will receive in the Merger, will continue to fluctuate from the date of this joint proxy statement/prospectus through the date of the closing of the Merger. Accordingly, at the time of the Questcor special meeting, Questcor shareholders will not know or be able to determine the market price of the Mallinckrodt ordinary shares they will receive upon completion of the Merger. It is possible that, at the time of the closing of the Merger, the shares of Questcor common stock held by Questcor shareholders may have a greater market value than the cash and the Mallinckrodt ordinary shares for which they are exchanged. The market price of Mallinckrodt ordinary shares on the date of the Questcor special meeting may not be indicative of the market price of Mallinckrodt ordinary shares that Questcor shareholders will receive upon completion of the Merger. The market prices of Mallinckrodt ordinary shares and Questcor common stock are subject to general price fluctuations in the market for publicly traded equity securities and have experienced volatility in the past. Stock price changes may result from a variety of factors, including general market and economic conditions and changes in the respective businesses, operations and prospects, and regulatory considerations of Mallinckrodt and Questcor. Market assessments of the benefits of the Merger and the likelihood that the Merger will be completed, as well as general and industry-specific market and economic conditions, may also impact market prices of Mallinckrodt ordinary shares and Questcor common stock. Many of these factors are beyond Mallinckrodt s and Questcor s control. You should obtain current market quotations for shares of Questcor common stock and for Mallinckrodt ordinary shares.

The market price for Mallinckrodt ordinary shares following the closing may be affected by factors different from those that historically have affected Questcor common stock and Mallinckrodt ordinary shares.

Upon completion of the Merger, holders of shares of Questcor common stock (other than the holders of excluded shares and dissenting shares) will become holders of Mallinckrodt ordinary shares. Mallinckrodt s businesses differ from those of Questcor, and accordingly the results of operations of Mallinckrodt will be affected by some factors that are different from those currently affecting the results of operations of Questcor. In addition, upon completion of the Merger, holders of Mallinckrodt ordinary shares will become holders of ordinary shares in the combined company. The results of operation of the combined company may also be affected by factors different from those currently affecting Mallinckrodt. For a discussion of the businesses of Mallinckrodt and Questcor and of important factors to consider in connection with those businesses, see the sections entitled *Description of Mallinckrodt s Business*, *Mallinckrodt Management s Discussion and Analysis of Financial Condition and Results of Operations* and the

documents incorporated by reference in this joint proxy statement/prospectus and referred to in the section entitled *Where You Can Find More Information*.

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The Merger Agreement may be terminated in accordance with its terms and the Merger may not be completed.

The Merger Agreement contains a number of conditions that must be fulfilled to complete the Merger. Those conditions include: approval of the Merger Proposal by Questcor shareholders, approval of the Mallinckrodt Share Issuance Proposal by Mallinckrodt shareholders, clearance under the HSR Act, absence of orders prohibiting completion of the Merger, effectiveness of the registration statement of which this document is a part, approval of the Mallinckrodt ordinary shares to be issued to Questcor shareholders for listing on the New York Stock Exchange, Mallinckrodt not being treated as a domestic corporation for U.S. federal income tax purposes as of or after the closing date of the Merger as a result of a change in law, the continued accuracy of the representations and warranties of both parties subject to specified materiality standards, and the performance by both parties of their covenants and agreements. With the exception of the condition relating to HSR clearance, which was satisfied on May 9, 2014, when the FTC granted early termination of the waiting period under the HSR Act with respect to the Merger, the conditions to the closing of the Merger may not be fulfilled and, accordingly, the Merger may not be completed. In addition, if the Merger is not completed by October 6, 2014 (subject to extension to January 6, 2015 if the only condition not satisfied or waived (other than those conditions that by their nature are to be satisfied at the closing, which conditions must be capable of being satisfied) is the condition relating to the absence of any orders or injunctions under antitrust laws, and subject to extension based on the number of days remaining in the marketing period plus three business days), either Mallinckrodt or Questcor may choose not to proceed with the Merger. In addition, Mallinckrodt or Questcor may elect to terminate the Merger Agreement in certain other circumstances, and the parties can mutually decide to terminate the Merger Agreement at any time prior to the consummation of the Merger, before or after shareholder approval. See *The Merger Agreement Termination of the Merger Agreement; Termination Fees*.

The Merger Agreement contains provisions that restrict Mallinckrodt s ability to pursue alternatives to the Merger and, in specified circumstances, could require Mallinckrodt to pay Questcor a termination fee of up to $131.5 million.

Under the Merger Agreement, Mallinckrodt is restricted, subject to certain exceptions, from soliciting, initiating, knowingly encouraging, discussing or negotiating, or furnishing information with regard to, any inquiry, proposal or offer for a competing acquisition proposal from any person or entity. Mallinckrodt may not terminate the Merger Agreement and enter into an agreement with respect to a superior proposal. If the Mallinckrodt board of directors (after consultation with Mallinckrodt s financial advisors and legal counsel) determines that such proposal is more favorable to the Mallinckrodt shareholders than the Merger and the Mallinckrodt board of directors recommends such proposal to the Mallinckrodt shareholders, Questcor may be entitled to terminate the Merger Agreement. Under such circumstances, Mallinckrodt may be required to pay Questcor a termination fee equal to $131,450,000. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Mallinckrodt from considering or proposing that acquisition, even if such third party were prepared to enter into a transaction that would be more favorable to Mallinckrodt and its shareholders than the Merger. Additionally, in the event the Merger Agreement is terminated due to the failure of the Mallinckrodt shareholders to approve the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM, Mallinckrodt may be required to pay Questcor a fee of $37,560,000, increasing to $131,450,000 in certain circumstances. See *The Merger Agreement Termination of the Merger Agreement; Termination Fees*.

The Merger Agreement contains provisions that restrict Questcor s ability to pursue alternatives to the Merger and, in specified circumstances, could require Questcor to pay Mallinckrodt a termination fee of up to $194.5 million.

Under the Merger Agreement, Questcor is restricted, subject to certain exceptions, from soliciting, initiating, knowingly encouraging, discussing or negotiating, or furnishing information with regard to, any inquiry, proposal or offer for a competing acquisition proposal from any person or entity. Questcor may not terminate the Merger

Agreement and enter into an agreement with respect to a superior proposal. If the Questcor board of directors (after consultation with Questcor s financial advisors and legal counsel) determines that such proposal is more favorable to the Questcor shareholders than the Merger and the Questcor board of directors recommends such

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proposal to the Questcor shareholders, Mallinckrodt may be entitled to terminate the Merger Agreement. Under such circumstances, Questcor may be required to pay Mallinckrodt a termination fee equal to $194,470,000. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Questcor from considering or proposing that acquisition, even if such third party were prepared to enter into a transaction that would be more favorable to Questcor and its shareholders than the Merger. Additionally, in the event the Merger Agreement is terminated due to the failure of the Questcor shareholders to approve the Merger Proposal at the Questcor special meeting, Questcor may be required to pay Mallinckrodt a fee of $55,560,000, increasing to $194,470,000 in certain circumstances. See *The Merger Agreement Termination of the Merger Agreement; Termination Fees*.

While the Merger is pending, Mallinckrodt and Questcor will be subject to business uncertainties that could adversely affect their businesses.

Uncertainty about the effect of the Merger on employees, customers and suppliers may have an adverse effect on Questcor and Mallinckrodt. These uncertainties may impair Mallinckrodt s and Questcor s ability to attract, retain and motivate key personnel until the Merger is consummated and for a period of time thereafter, and could cause customers, suppliers and others who deal with Mallinckrodt and Questcor to seek to change existing business relationships with Mallinckrodt and Questcor. Employee retention may be challenging during the pendency of the Merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the businesses, the business of the combined company following the Merger could be seriously harmed. In addition, the Merger Agreement restricts Questcor and, to a lesser extent, Mallinckrodt, from taking specified actions until the Merger occurs without the consent of the other party. These restrictions may prevent Mallinckrodt or Questcor from pursuing attractive business opportunities that may arise prior to the completion of the Merger. See *The Merger Agreement Covenants and Agreements*.

Questcor directors and officers may have interests in the Merger different from the interests of Questcor shareholders and Mallinckrodt shareholders.

Certain of the directors and executive officers of Questcor negotiated the terms of the Merger Agreement, and the Questcor board of directors recommended that the shareholders of Questcor vote in favor of the merger-related proposals. These directors and executive officers may have interests in the Merger that are different from, or in addition to, those of Questcor shareholders and Mallinckrodt shareholders. These interests include, but are not limited to, the continued employment of certain executive officers of Questcor by Mallinckrodt, the continued service of certain directors of Questcor as directors of Mallinckrodt, the treatment in the Merger of stock options, restricted stock, bonus awards, severance arrangements and other rights held by Questcor directors and executive officers, and the indemnification of former Questcor directors and officers by Mallinckrodt. Questcor shareholders and Mallinckrodt shareholders should be aware of these interests when they consider their respective board of directors recommendation that they vote in favor of the merger-related proposals.

The Questcor board of directors was aware of these interests when it declared the advisability of the Merger Agreement, determined that it was fair to the Questcor shareholders and recommended that the Questcor shareholders approve and adopt the Merger Agreement. The interests of Questcor directors and executive officers are described in more detail in the section of this document entitled *The Merger Interests of Questcor s Directors and Executive Officers in the Transaction*.

Questcor shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management.

Questcor shareholders currently have the right to vote in the election of the board of directors of Questcor and on other matters affecting Questcor. Upon the completion of the Merger, each Questcor shareholder who receives Mallinckrodt ordinary shares will become a shareholder of Mallinckrodt with a percentage ownership of Mallinckrodt that is smaller than such shareholder s percentage ownership of Questcor. It is currently expected

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that the former shareholders of Questcor as a group will receive shares in the Merger constituting approximately 49.5% of the outstanding Mallinckrodt ordinary shares immediately after the Merger. Because of this, Questcor shareholders will have less influence on the management and policies of Mallinckrodt than they now have on the management and policies of Questcor.

Mallinckrodt ordinary shares to be received by Questcor shareholders as a result of the Merger will have rights different from the shares of Questcor common stock.

Upon completion of the Merger, the rights of former Questcor shareholders who become Mallinckrodt shareholders will be governed by the memorandum of association and articles of association of Mallinckrodt and by Irish law. The rights associated with shares of Questcor common stock are different from the rights associated with Mallinckrodt ordinary shares. Material differences between the rights of shareholders of Questcor and the rights of shareholders of Mallinckrodt include differences with respect to, among other things, consolidation and division of shares, reduction of share capital, distributions, dividends, repurchases and redemptions, dividends in shares / bonus issues, the election of directors, the removal of directors, the fiduciary and statutory duties of directors, conflicts of interests of directors, the indemnification of directors and officers, limitations on director liability, the convening of annual meetings of shareholders and special shareholder meetings, notice provisions for meetings, the adjournment of shareholder meetings, the exercise of voting rights, shareholder action by written consent, shareholder suits, shareholder approval of certain transactions, rights of inspection of books and records, rights of dissenting shareholders, anti-takeover measures and provisions relating to the ability to amend the articles of association. See *Comparison of the Rights of Holders of Mallinckrodt Ordinary Shares and Questcor Common Stock* for a discussion of the different rights associated with Mallinckrodt ordinary shares and Questcor common stock.

The opinions of Mallinckrodt s and Questcor s financial advisors will not reflect changes in circumstances between the original signing of the Merger Agreement and the completion of the Merger.

Mallinckrodt and Questcor have not obtained updated opinions from their respective financial advisors as of the date of this document and do not expect to receive updated opinions prior to the completion of the Merger. Changes in the operations and prospects of Mallinckrodt or Questcor, general market and economic conditions and other factors that may be beyond the control of Mallinckrodt or Questcor, and on which Mallinckrodt s and Questcor s financial advisors opinions were based, may significantly alter the value of Questcor or the prices of Mallinckrodt ordinary shares or Questcor common stock by the time the Merger is completed. The opinions do not speak as of the time the Merger will be completed or as of any date other than the date of such opinions. Because Mallinckrodt s and Questcor s financial advisors will not be updating their opinions, the opinions will not address the fairness of the Merger Consideration from a financial point of view at the time the Merger is completed. The Mallinckrodt board of directors recommendation that Mallinckrodt shareholders vote **FOR** the Mallinckrodt Share Issuance Proposal and the Questcor board of directors recommendation that Questcor shareholders vote **FOR** the Merger Proposal, however, are made as of the date of this document. For a description of the opinions that Mallinckrodt and Questcor received from their respective financial advisors, please refer to *The Merger Opinion of Mallinckrodt s Financial Advisor* and *The Merger Opinion of Questcor s Financial Advisor.*

Legal proceedings in connection with the Merger, the outcomes of which are uncertain, could delay or prevent the completion of the Merger.

Since the announcement of the Merger Agreement on April 7, 2014, at least ten putative class actions have been filed in the Superior Court of the State of California, County of Orange, against Questcor, the members of its board of directors, Mallinckrodt and Merger Sub challenging the proposed Merger. The actions allege that the Questcor board of directors breached their fiduciary duties to Questcor s shareholders in connection with the Merger and that Questcor,

Mallinckrodt and Merger Sub aided and abetted the directors breaches of fiduciary duties. Plaintiffs claim that the Merger involves an unfair price, an inadequate sales process, self-dealing,

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unreasonable deal protection devices and inadequate disclosures. Among other remedies, the plaintiffs seek to enjoin the Merger. Such legal proceedings could delay or prevent the Merger from becoming effective within the agreed upon timeframe. See *Litigation Relating to the Transaction*.

Mallinckrodt ordinary shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.

Irish capital acquisitions tax (CAT) (currently levied at a rate of 33% above certain tax-free thresholds) could apply to a gift or inheritance of Mallinckrodt ordinary shares irrespective of the place of residence, ordinary residence, or domicile of the parties. This is because Mallinckrodt ordinary shares will be regarded as property situated in Ireland for Irish CAT purposes. The person who receives the gift or inheritance has primary liability for CAT. See *Certain Tax Consequences of the Merger Irish Tax Considerations Capital Acquisitions Tax (CAT)*.

Risks Related to the Business of the Combined Company

Mallinckrodt and Questcor may fail to realize all of the anticipated benefits of the Merger or those benefits may take longer to realize than expected. The combined company may also encounter significant difficulties in integrating the two businesses.

The ability of Mallinckrodt and Questcor to realize the anticipated benefits of the transaction will depend, to a large extent, on the combined company s ability to integrate the two businesses. The combination of two independent businesses is a complex, costly and time-consuming process. As a result, Mallinckrodt and Questcor will be required to devote significant management attention and resources to integrating their business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively, would restrict the realization of the full-expected benefits. The failure to meet the challenges involved in integrating the two businesses and to realize the anticipated benefits of the transaction could cause an interruption of or a loss of momentum in, the activities of the combined company and could adversely affect the results of operations of the combined company.

In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management s attention. The difficulties of combining the operations of the companies include, among others:

- the diversion of management s attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the combination;
- difficulties in the integration of operations and systems;
- conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;

difficulties in the assimilation of employees;

difficulties in managing the expanded operations of a significantly larger and more complex company;

challenges in keeping existing customers and obtaining new customers;

challenges in attracting and retaining key personnel; and

coordinating a geographically dispersed organization.

Many of these factors will be outside of the control of Mallinckrodt or Questcor and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management s time and energy, which could materially impact the business, financial condition and results of operations of the combined

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company. In addition, even if the operations of the businesses of Mallinckrodt and Questcor are integrated successfully, the full benefits of the transaction may not be realized, including the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration of the businesses of Mallinckrodt and Questcor. All of these factors could cause dilution to the earnings per share of Mallinckrodt, decrease or delay the expected accretive effect of the transaction, and negatively impact the price of Mallinckrodt ordinary shares. As a result, we cannot assure you that the combination of Mallinckrodt and Questcor will result in the realization of the full benefits anticipated from the transaction.

Combining the businesses of Mallinckrodt and Questcor may be more difficult, costly or time-consuming than expected, which may adversely affect Mallinckrodt s results and negatively affect the value of Mallinckrodt s ordinary shares following the completion of the Merger.

Mallinckrodt and Questcor have entered into the Merger Agreement because each believes that the Merger will be beneficial to it and its respective shareholders and that combining the businesses of Mallinckrodt and Questcor will produce benefits and cost savings. If Mallinckrodt is not able to successfully combine the businesses of Mallinckrodt and Questcor in an efficient and effective manner, the anticipated benefits and cost savings of the Merger may not be realized fully, or at all, or may take longer to realize than expected, and the value of Mallinckrodt ordinary shares may be affected adversely.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual synergies, if achieved, may be lower than what Mallinckrodt expects and may take longer to achieve than anticipated. If Mallinckrodt is not able to adequately address integration challenges, Mallinckrodt may be unable to successfully integrate Mallinckrodt s and Questcor s operations or to realize the anticipated benefits of the integration of the two companies.

Mallinckrodt and Questcor will incur direct and indirect costs as a result of the Merger.

Mallinckrodt and Questcor will incur substantial expenses in connection with completing the Merger, and Mallinckrodt also expects to incur substantial expenses in connection with coordinating the businesses, operations, policies and procedures of Mallinckrodt and Questcor over a period of time following the completion of the Merger. While Mallinckrodt and Questcor have assumed that a certain level of transaction and coordination expenses will be incurred, there are a number of factors beyond Mallinckrodt s and Questcor s control that could affect the total amount or the timing of these transaction and coordination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses may exceed the costs historically borne by Mallinckrodt and Questcor.

Mallinckrodt expects that, following the completion of the Merger, Mallinckrodt will have significantly less cash on hand than the sum of cash on hand of Mallinckrodt and Questcor prior to the completion of the Merger. This reduced amount of cash could adversely affect Mallinckrodt s ability to grow.

Mallinckrodt expects to utilize cash on its balance sheet to fund a portion of the purchase price and expenses associated with the Merger. This could leave Mallinckrodt with significantly less cash and cash equivalents on hand than the approximately $334.9 million and $261.1 million of cash and cash equivalents on hand of Mallinckrodt and Questcor, respectively, as of March 28, 2014 and March 31, 2014, respectively. Although the management of Mallinckrodt believes that it will have access to cash sufficient to meet Mallinckrodt s business objectives and capital needs, the lessened availability of cash and cash equivalents following the consummation of the Merger could constrain Mallinckrodt s ability to grow its business. Mallinckrodt s financial position following the Merger could also

make it vulnerable to general economic downturns and industry conditions, and place it at a competitive disadvantage relative to its competitors that have more cash at their disposal. In the event that Mallinckrodt does not have adequate capital to maintain or develop its business, additional capital may not be available to Mallinckrodt on a timely basis, on favorable terms, or at all.

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If the Merger is consummated, Mallinckrodt will incur a substantial amount of debt to finance the cash portion of the Merger Consideration, which could restrict its ability to engage in additional transactions or incur additional indebtedness.

In connection with the Merger, Mallinckrodt expects that one or more of its subsidiaries will incur a significant amount of indebtedness. Following the completion of the Merger, the combined company will have a significant amount of indebtedness outstanding. On a pro forma basis, giving effect to the incurrence of indebtedness as described in *The Merger Financing Relating to the Transaction*, the consolidated indebtedness of Mallinckrodt would be approximately $4,028 million as of March 28, 2014. See *Unaudited Pro Forma Combined Financial Information*. This substantial level of indebtedness could have important consequences to Mallinckrodt s business, including making it more difficult to satisfy its obligations, increasing its vulnerability to general adverse economic and industry conditions, limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and restricting Mallinckrodt from pursuing certain business opportunities. These limitations could reduce the benefits Mallinckrodt expects to achieve from the Merger or impede its ability to engage in future business opportunities or strategic acquisitions.

Mallinckrodt s and Questcor s actual financial positions and results of operations may differ materially from the unaudited pro forma financial data included in this joint proxy statement/prospectus.

The pro forma financial information contained in this joint proxy statement/prospectus is presented for illustrative purposes only and may not be an indication of what Mallinckrodt s financial position or results of operations would have been had the transaction been completed on the dates indicated. The pro forma financial information has been derived from the audited and unaudited historical financial statements of Mallinckrodt and Questcor and certain adjustments and assumptions have been made regarding the combined company after giving effect to the transaction. The assets and liabilities of Questcor have been measured at fair value based on various preliminary estimates using assumptions that Mallinckrodt management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial information and the combined company s financial position and future results of operations.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect Mallinckrodt s financial condition or results of operations following the closing. Any material variance from the pro forma financial information may cause significant variations in the share price of Mallinckrodt. See *Unaudited Pro Forma Combined Financial Information*.

The Merger may not be accretive and may cause dilution to Mallinckrodt s earnings per share, which may negatively affect the market price of Mallinckrodt ordinary shares.

Although Mallinckrodt currently anticipates that the Merger will be immediately accretive to earnings per share (on an adjusted diluted earnings basis) from and after the Merger, this expectation is based on preliminary estimates, which may change materially.

As described and based on the assumptions in the section of this joint proxy statement/prospectus entitled *The Merger Consideration to Questcor Shareholders*, Mallinckrodt expects to issue or reserve for issuance approximately 59 million Mallinckrodt ordinary shares in connection with completion of the Merger. The issuance of these new Mallinckrodt ordinary shares could have the effect of depressing the market price of Mallinckrodt ordinary shares.

In addition, Mallinckrodt could also encounter additional transaction-related costs or other factors such as the failure to realize all of the benefits anticipated in the Merger. All of these factors could cause dilution to Mallinckrodt s earnings per share or decrease or delay the expected accretive effect of the Merger and cause a decrease in the market price of Mallinckrodt ordinary shares.

Adjusted diluted earnings represents net income, prepared in accordance with GAAP, excluding the after-tax effects related to separation costs; restructuring and related charges, net; amortization; discontinued operations; and other items identified by Mallinckrodt; divided by diluted weighted-average shares.

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Mallinckrodt s status as a foreign corporation for U.S. federal tax purposes could be affected by a change in law and the Merger is conditioned upon such status not changing as a result of such a change in law.

Mallinckrodt believes that, under current law, it is treated as a foreign corporation for U.S. federal tax purposes. However, changes to the inversion rules in Section 7874 or the U.S. Treasury Regulations promulgated thereunder or other U.S. Internal Revenue Service (IRS) guidance could adversely affect Mallinckrodt s status as a foreign corporation for U.S. federal tax purposes, and any such changes could have prospective or retroactive application to Mallinckrodt, Questcor, their respective shareholders, shareholders and affiliates, and/or the Merger. In addition, recent legislative proposals have aimed to expand the scope of U.S. corporate tax residence, and such legislation, if passed, could have an adverse effect on Mallinckrodt. For example, in March 2014, the President of the United States proposed legislation which would amend the anti-inversion rules. Although its application is limited to transactions closing after 2014, no assurance can be given that such proposal will not be changed in the legislative process and be enacted to apply to prior transactions. Moreover, new legislation has been introduced in the United States Congress that would make significant changes to the inversion rules in Section 7874 and apply retroactively to a date prior to the closing date of the Merger. Such legislation, if enacted in its current form, could cause Mallinckrodt to be treated as a domestic corporation for U.S. federal income tax purposes as a result of the Merger. It is a condition to each party s obligation to complete the Merger that Mallinckrodt not be treated a domestic corporation for U.S. federal income tax purposes as of or after the closing date of the Merger as a result of a change in law prior to the closing date of the Merger.

Future changes to U.S. and foreign tax laws could adversely affect Mallinckrodt.

The U.S. Congress, the Organisation for Economic Co-operation and Development and other government agencies in jurisdictions where Mallinckrodt and its affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of base erosion and profit shifting, where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the United States and other countries in which Mallinckrodt and its affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect Mallinckrodt and its affiliates (including Questcor and its affiliates after the Merger).

Transfers of Mallinckrodt ordinary shares, other than by means of the transfer of book-entry interests in the Depository Trust Company (DTC), may be subject to Irish stamp duty.

For the majority of transfers of Mallinckrodt ordinary shares, there will not be any stamp duty. Transfers of Mallinckrodt ordinary shares effected by means of the transfer of book entry interests in DTC are not subject to Irish stamp duty. However, if you hold your Mallinckrodt ordinary shares directly rather than beneficially through DTC, any transfer of your Mallinckrodt ordinary shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). A shareholder who directly holds shares may transfer those shares into his or her own broker account to be held through DTC (or vice versa) without giving rise to Irish stamp duty provided that there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not in contemplation of a sale of the shares by a beneficial owner to a third party. Mallinckrodt intends (but has no obligation) to pay stamp duty in certain circumstances.

Due to the potential Irish stamp charge on transfers of Mallinckrodt ordinary shares held outside of DTC, those Questcor shareholders who do not hold their Questcor common stock through DTC (or through a broker who in turn holds such shares through DTC) should consider arranging for the transfer of their Questcor common stock into DTC before the Merger is consummated.

Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of your Mallinckrodt ordinary shares. See *Certain Tax Consequences of the Merger Irish Tax Considerations Stamp Duty*.

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In certain limited circumstances, dividends paid by Mallinckrodt may be subject to Irish dividend withholding tax.

In certain limited circumstances, Irish dividend withholding tax (DWT) (currently at a rate of 20%) may arise in respect of dividends, if any, paid on Mallinckrodt ordinary shares. A number of exemptions from DWT exist, including exemptions pursuant to which shareholders resident in the U.S. and shareholders resident in the countries listed in Annex E attached to this joint proxy statement/prospectus (the Relevant Territories) may be entitled to exemptions from DWT.

See *Certain Tax Consequences of the Merger Irish Tax Considerations Withholding Tax on Dividends* and, in particular, please note the requirement to complete certain relevant Irish Revenue Commissioners DWT forms (DWT Forms) in order to qualify for many of the exemptions.

Dividends paid in respect of Mallinckrodt ordinary shares that are owned by a U.S. resident and held through DTC will not be subject to DWT provided that the address of the beneficial owner of such shares in the records of the broker holding such shares is recorded as being in the U.S. (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by Mallinckrodt). Similarly, dividends paid in respect of Mallinckrodt ordinary shares that are held outside of DTC and are owned by a former Questcor shareholder who is a resident of the U.S. will not be subject to DWT if such shareholder has provided a completed IRS Form 6166 or a valid DWT Form to Mallinckrodt s transfer agent to confirm its U.S. residence and claim an exemption. Shareholders resident in other Relevant Territories may also be eligible for exemption from DWT on dividends paid in respect of their shares provided that they have furnished valid DWT Forms to their brokers (in respect of shares held through DTC) (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by Mallinckrodt) or to Mallinckrodt s transfer agent (in respect of shares held outside of DTC). However, other shareholders may be subject to DWT, which if you are such a shareholder could adversely affect the price of your shares. See *Certain Tax Consequences of the Merger Irish Tax Considerations Withholding Tax on Dividends* for more information on DWT.

Risks Related to Mallinckrodt s Business

As used in this Risks Related to Mallinckrodt s Business section, references to Mallinckrodt refer to Mallinckrodt plc, an Irish public limited company, and, unless the context otherwise requires, its consolidated subsidiaries.

The business of Cadence Pharmaceuticals, Inc. (Cadence) and the commercial and financial success of Mallinckrodt s recently completed acquisition of Cadence depend on the commercial success of Cadence s only product, OFIRMEV®.

On March 19, 2014, Mallinckrodt completed its previously announced acquisition (the Cadence Acquisition) of Cadence pursuant to the Agreement and Plan of Merger, dated as of February 10, 2014, among Mallinckrodt, Cadence and Madison Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Mallinckrodt. Cadence s success, and consequently the success of the Cadence Acquisition, depends on the continued success of the commercialization of Cadence s only product, OFIRMEV (acetaminophen) injection (OFIRMEV), which was approved by the U.S. Food and Drug Administration (FDA) in November 2010 for the management of mild to moderate pain, the management of moderate to severe pain with adjunctive opioid analgesics and the reduction of fever in adults and children two years of age and older.

Cadence launched OFIRMEV in January 2011, but Mallinckrodt s ability to maintain and increase revenues from sales of OFIRMEV depends on several factors, including:

Mallinckrodt s ability to increase market demand for OFIRMEV through its own marketing and sales activities, and any other arrangements to promote this product Mallinckrodt may later establish;

Mallinckrodt s ability to implement and maintain pricing actions and continue to increase market demand for OFIRMEV;

Mallinckrodt s ability to maintain and defend the patent protection and regulatory exclusivity of OFIRMEV;

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Mallinckrodt s ability to continue to procure a supply of OFIRMEV from its sole source third-party manufacturer in sufficient quantities and at acceptable quality and pricing levels in order to meet commercial demand;

the performance of Cadence s third-party manufacturer and Mallinckrodt s ability to ensure that the supply chain for OFIRMEV efficiently and consistently delivers OFIRMEV to Mallinckrodt s customers;

Mallinckrodt s ability to deploy and support a qualified sales force;

Mallinckrodt s ability to maintain fees and discounts payable to the wholesalers and distributors who distribute OFIRMEV, as well as to group purchasing organizations, at commercially reasonable levels;

whether the FTC, Department of Justice (DOJ) or third parties seek to challenge and are successful in challenging Cadence s settlement agreement with Paddock Laboratories, Inc., Perrigo Company and Paddock Laboratories, LLC (collectively, Perrigo) or its settlement agreement with Sandoz, Inc., Sandoz AG, Neogen International N.V. and APC Pharmaceuticals, LLC (collectively, Sandoz) or its settlement agreement with Wockhardt USA LLC;

warnings or limitations that may be required to be added to OFIRMEV s FDA-approved labeling;

the occurrence of adverse side effects or inadequate therapeutic efficacy of OFIRMEV, and any resulting product liability claims or product recalls; and

Mallinckrodt s ability to achieve hospital formulary acceptance for OFIRMEV, and to the extent third-party payors separately cover and reimburse for OFIRMEV, the availability of adequate levels of reimbursement for OFIRMEV from third-party payors.

Any disruption in Mallinckrodt s ability to generate net sales from the sale of OFIRMEV or lack of success in its commercialization will have a substantial adverse impact on Mallinckrodt s business, financial condition, results of operations and cash flows.

The patent rights that Cadence has in-licensed covering OFIRMEV are limited to a range of intravenous formulations of acetaminophen. As a result, the market opportunity for this product may be limited by the lack of patent protection for the active ingredient itself and other formulations of intravenous acetaminophen may be developed by competitors.

The active ingredient in OFIRMEV is acetaminophen. Patent protection is not available for the acetaminophen molecule itself in the territories licensed to Cadence, which include the U.S. and Canada. As a result, competitors who obtain the requisite regulatory approval can offer products with the same active ingredient as OFIRMEV so long as the competitors do not infringe any process or formulation patents that Cadence has in-licensed from Bristol-Myers Squibb Company (BMS) and its licensor, SCR Pharmatop S.A. (Pharmatop) or that Cadence subsequently obtains. Cadence is the exclusive licensee of two U.S. patents and two Canadian patents owned by Pharmatop, under BMS s

license to these patents from Pharmatop that cover OFIRMEV. U.S. Patent No. 6,028,222, or the 222 patent (Canadian patent number 2,233,924), covers the formulation of OFIRMEV, and this patent expires in August 2017. U.S. Patent No. 6,992,218, or the 218 patent (Canadian patent number 2,415,403), covers the process used to manufacture OFIRMEV and a formulation having prolonged stability, and this patent expires in June 2021. Mallinckrodt plans to complete a pediatric clinical trial of OFIRMEV and, upon timely completion and the acceptance by the FDA of the data from this study, if successful OFIRMEV may be eligible for an additional six months of marketing exclusivity in the U.S.

Mallinckrodt is also aware of several U.S. and Canadian patents and patent applications directed to various potential injectable formulations of acetaminophen as well as methods of making and using these potential formulations. For example, Injectapap, a liquid formulation of acetaminophen for intramuscular injection, was approved by the FDA for the reduction of fever in adults in March 1986, although it was subsequently withdrawn

from the market by McNeil Pharmaceutical in July 1986. The number of patents and patent applications directed to products in the same field as OFIRMEV indicates that competitors have sought to develop and may seek to market competing formulations that may not be covered by Cadence s licensed patents and patent applications. The commercial opportunity for OFIRMEV could be significantly harmed if competitors are able to develop alternative formulations of acetaminophen outside the scope of Cadence s in-licensed patents.

Five third parties have challenged, and additional third parties may challenge, the patents covering OFIRMEV, which could result in the invalidation or unenforceability of some or all of the relevant patent claims. If a third party files a New Drug Application (NDA) or an Abbreviated New Drug Application (ANDA) for a generic drug product containing acetaminophen and relies in whole or in part on studies conducted by or for Cadence, the third party will be required to certify to the FDA that, in the opinion of that third party, the patents listed in the Orange Book for OFIRMEV are invalid, unenforceable or will not be infringed by the manufacture, use or sale of the third party s generic or competitive NDA drug product. A third party certification that the new product will not infringe the Orange Book-listed patents for OFIRMEV, or that such patents are invalid, is called a Paragraph IV patent certification. If the third party submits a Paragraph IV patent certification to the FDA, a notice of the Paragraph IV patent certification must also be sent to Cadence once the third party s NDA or ANDA is accepted for filing by the FDA. A lawsuit may then be initiated to assert the patents identified in the notice. The filing of a patent infringement lawsuit within 45 days of the receipt of notice of a Paragraph IV patent certification automatically prevents the FDA from approving the NDA or ANDA until the earlier of the expiration of a 30-month period, the expiration of the patents, the entry of a settlement order stating that the patents are invalid or not infringed, a decision in the infringement case that is favorable to the NDA or ANDA applicant, or such shorter or longer period as the court may order. If a patent infringement lawsuit is not initiated within the required 45-day period, the third party s NDA or ANDA will not be subject to the 30-month stay.

For example, in August 2011, Cadence and Pharmatop filed suit in the U.S. District Court for the District of Delaware against Perrigo and Exela Pharma Sciences, LLC, Exela PharmaSci, Inc. and Exela Holdings, Inc. (collectively, Exela). The lawsuit followed the notices that Cadence received in July 2011 from each of Perrigo and Exela concerning their filings of ANDAs containing a Paragraph IV patent certification with the FDA for a generic version of OFIRMEV. In the lawsuit, Cadence alleged that Exela and Perrigo each infringed the 222 patent and 218 patent by filing their respective ANDAs seeking approval from the FDA to market a generic version of OFIRMEV prior to the expiration of these patents. The 222 and 218 patents are listed in the FDA s Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. The patent infringement lawsuit was filed within 45 days of receipt of the pertinent notice letters, thereby triggering a stay of FDA approval of the Exela ANDA and the Perrigo ANDA until the earlier of the expiration of a 30-month period, the expiration of the 222 and 218 patents, the entry of a settlement order or consent decree stating that the 222 and 218 patents are invalid or not infringed, a decision in the case concerning infringement or validity that is favorable to Perrigo or Exela, or such shorter or longer period as the court may order. Each of Perrigo and Exela filed an answer in the case that asserted, among other things, non-infringement and invalidity of the asserted patents, as well as certain counterclaims.

Cadence settled with Perrigo and the case against Perrigo was dismissed on November 30, 2012. In connection with the settlement and license agreements entered into in November 2012, Perrigo was granted the exclusive right of first refusal to negotiate an agreement with Cadence to market an authorized generic version of OFIRMEV in the U.S. in the event that Cadence elects to launch an authorized generic version of the product. The license agreement also provides that, if Cadence enters into an agreement for Perrigo to market an authorized generic version of OFIRMEV during the license period, Perrigo would purchase the product exclusively from Cadence. Cadence would receive product costs plus an administrative fee, as well as a royalty payment based on the net profits achieved by Perrigo from the sale of the authorized generic product. Additionally, Cadence granted Perrigo the non-exclusive right to market a generic intravenous acetaminophen product in the U.S. under Perrigo s ANDA after December 6, 2020, or

earlier under certain circumstances. The FTC or the DOJ could seek

to challenge Cadence s settlement with Perrigo, or a competitor, customer or other third party could initiate a private action under antitrust or other laws challenging the settlement with Perrigo. Any such challenge could be both expensive and time consuming and may render the settlement agreement unenforceable.

A bench trial for the lawsuit with Exela was held and the court ruled in favor of Cadence in November 2013 and found that Exela s ANDA for a generic version of OFIRMEV infringed the 222 and 218 patents. An appeal of the decision in favor of Cadence was filed by Exela on December 20, 2013. It is not possible to predict the outcome of this appeal. An adverse outcome could result in the launch of one or more generic versions of OFIRMEV before the expiration of the last of the listed patents in June 6, 2021 (or December 6, 2021 if pediatric exclusivity is granted), which could adversely affect Mallinckrodt s ability to successfully maximize the value of OFIRMEV and have an adverse effect on Mallinckrodt s financial condition and results of operations, including causing a significant decrease in Mallinckrodt s revenues and cash flows.

In addition, in January 2013, Cadence filed suit in the U.S. District Court for the Southern District of California against Fresenius Kabi USA, LLC (Fresenius) following receipt of a December 2012 notice from Fresenius concerning its submission of an NDA containing a Paragraph IV patent certification with the FDA for a generic version of OFIRMEV. In February 2013, Cadence filed suit in the U.S. District Court for the Southern District of California against Sandoz following receipt of a December 2012 notice from Sandoz concerning its submission of an ANDA containing a Paragraph IV patent certification with the FDA for a generic version of OFIRMEV. In October 2013, Cadence filed a motion to amend its complaint against Sandoz to join Sandoz AG, Neogen International N.V., APC Pharmaceuticals, LLC, and DIACO S.p.A. (together with Sandoz, the Sandoz Parties) to the lawsuit against Sandoz due to the involvement of each of these companies with the preparation of the Sandoz ANDA and related matters. In the lawsuits against Fresenius and the Sandoz Parties, which were consolidated for purposes of discovery and other pretrial proceedings in the Southern District of California, Cadence alleged that Fresenius and the Sandoz Parties each infringed the 222 patent and the 218 patent by filing an NDA, in the case of Fresenius, or an ANDA, in the case of the Sandoz Parties, seeking approval from the FDA to market a generic or competing NDA version of OFIRMEV prior to the expiration of these patents. Both Fresenius and the Sandoz Parties filed answers in the Southern District of California asserting, among other things, non-infringement and invalidity of the asserted patents, as well as certain counterclaims. Both the Fresenius and Sandoz lawsuits were filed within 45 days of receipt of the respective notice letters, thereby triggering a stay of FDA approval of the Fresenius NDA and the Sandoz ANDA until the earlier of the expiration of a 30-month period, the expiration of the 222 and 218 patents, the entry of a settlement order or consent decree stating that the 222 and 218 patents are invalid or not infringed, a decision in the case concerning infringement or validity that is favorable to Fresenius and/or the Sandoz Parties, or such shorter or longer period as the court may order.

In January 2014, Cadence entered into a settlement agreement and a binding term sheet for a license agreement with the Sandoz Parties. The settlement agreement include a stipulation by the parties requesting dismissal with prejudice of the lawsuit filed by Cadence relating to the ANDA filed by Sandoz. Under the terms of the license, Cadence granted to the holder of the Sandoz ANDA and its affiliates the non-exclusive right to market a generic intravenous acetaminophen product in the U.S. under the Sandoz ANDA beginning December 6, 2020, or earlier under certain circumstances. Cadence also agreed that in the event that it determines to launch an authorized generic version of OFIRMEV (i.e., a generic version marketed under its NDA) in the U.S. and Perrigo elects not to exercise its right of first refusal to become the distributor of the authorized generic version of the product, Cadence will grant a similar right of first refusal to the holder of the Sandoz ANDA on substantially the same terms as those previously granted to Perrigo. Litigation remains ongoing against Fresenius, and an order vacating at this time the bench trial for such lawsuit that was tentatively scheduled to commence in July 2014 was issued on July 8, 2014. A status conference is set for August 12, 2014.

In December 2013, Cadence received a notice from Wockhardt USA LLC (Wockhardt), stating that Wockhardt filed an ANDA containing a Paragraph IV patent certification with the FDA for a generic version of OFIRMEV. This notice stated that the Paragraph IV patent certification was made with respect to both the 222

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patent and the 218 patent. Cadence filed suit against Wockhardt Limited, Wockhardt BIO AG and Wockhardt on January 22, 2014 in the U.S. District Court of Delaware, and, on January 23, 2014, in the U.S. District Court of New Jersey. In March 2014, Cadence entered into a settlement agreement and a license agreement with Wockhardt. The settlement agreement includes a stipulation by the parties requesting dismissal with prejudice of the lawsuit filed by Cadence relating to the ANDA filed by Wockhardt. Under the terms of the license agreement, Cadence granted to the holder of the Wockhardt ANDA and its affiliates the non-exclusive right to market a generic intravenous acetaminophen product in the U.S. under the Wockhardt ANDA beginning December 6, 2020, or earlier under certain circumstances.

Litigation or other proceedings to enforce or defend intellectual property rights are often very complex in nature and may be very expensive and time-consuming. Litigation relating to Cadence and its intellectual property may result in unfavorable results that could adversely impact Mallinckrodt s ability to prevent third parties from competing with Mallinckrodt s products. Any adverse outcome of such litigation could result in one or more generic or competitive NDA versions of OFIRMEV being launched without Mallinckrodt s or Cadence s consent before the expiration of one or both of the patents Cadence has in-licensed from BMS and its licensor, Pharmatop, which could adversely affect Mallinckrodt s ability to successfully execute Mallinckrodt s business strategy to increase sales of OFIRMEV and negatively impact Mallinckrodt s financial condition and results of operations. Mallinckrodt intends to vigorously enforce Cadence s intellectual property rights relating to OFIRMEV to prevent the marketing of infringing generic products without Cadence s consent prior to the expiration of its patents. However, given the unpredictability inherent in litigation, Mallinckrodt cannot predict or guarantee the outcome of these matters or any other litigation. Regardless of how these matters are ultimately resolved, these matters may be costly, time-consuming, and distracting to Mallinckrodt s management, which could have a material adverse effect on Mallinckrodt s business.

The protection of Cadence s intellectual property rights is critical to its success and any previous failure on the part of Cadence or failure on Mallinckrodt s part to adequately secure such rights would materially affect Mallinckrodt s business.

Cadence s commercial success depends on maintaining patent protection and trade secret protection for OFIRMEV, as well as for any other products or product candidates that Cadence may license or acquire, and successfully defending these patents and trade secrets against third-party challenges. Cadence will only be able to protect its technologies from unauthorized use by third parties to the extent that valid and enforceable patents or trade secrets cover them.

In April 2012, Exela filed suit against David J. Kappos and the U.S. Patent and Trademark Office (USPTO) in the U.S. District Court for the Eastern District of Virginia for declaratory judgment seeking a reversal of the USPTO s decision not to act on a petition by Exela to vacate the USPTO s April 2003 order reviving the international application for the 218 patent. The lawsuit followed the USPTO s rejection of Exela s petition to the USPTO filed in November 2011, which sought to vacate the April 23, 2003 order granting Pharmatop s petition to revive the 218 patent. The USPTO determined that Exela lacked standing to seek such relief. Exela also seeks declaratory judgment that the USPTO s rules and regulations that allow for revival of abandoned, international patent applications under the unintentional standard are invalid, and seeks similar relief in connection with one or more counterclaims it has filed in the Delaware litigation. Cadence s motion to intervene in this lawsuit was granted in October 2012. In December 2012, the district court dismissed the case with prejudice as barred by the applicable statute of limitations. In February 2013, Exela appealed the district court s decision to the Court of Appeals for the Federal Circuit. The Court of Appeals heard oral argument on the appeal in February 2014. A decision by the Court of Appeals in favor of Exela could ultimately result in the invalidation of the 218 patent.

Additionally, in September 2012, Exela filed with the USPTO a Request for Ex Parte Reexamination of the 222 patent. In December 2012, Cadence received notice that the USPTO had granted the Request for Reexamination. The

reexamination process is provided for by law and requires the USPTO to consider the scope

and validity of the patent based on substantial new questions of patentability raised by a third party or the USPTO. In February 2013, Cadence and Pharmatop filed with the USPTO a patent owner s statement commenting on the reexamination request, and in April 2013, Exela filed comments in response to the patent owner s statement. In a non-final, initial office action issued by the USPTO in August 2013, the USPTO rejected certain claims of the 222 patent. A response to the first office action was filed in November 2013. A supplemental amendment and response was filed in February 2014 and a next office action was issued in March 2014. An amendment and response was filed in May 2014.

In addition, in January 2014, an unidentified third party filed with the USPTO a Request for Ex Parte Reexamination of the 218 patent. The reexamination request was granted on March 14, 2014.

All of the claims of the 222 and 218 patents remain valid and in force during the reexamination proceedings. Because Cadence and Pharmatop believe that the scope and validity of the patent claims in these patents are appropriate and that the USPTO s prior issuances of the patents were correct, Mallinckrodt, in conjunction with Cadence and Pharmatop, will vigorously defend these patents. It is not possible at this time to determine with certainty whether Cadence, Pharmatop and Mallinckrodt ultimately will succeed in maintaining the scope and validity of the claims of these patents during reexamination. If any of the patent claims in these patents ultimately are narrowed during prosecution before the USPTO, the extent of the patent coverage afforded to OFIRMEV could be impaired, which could have an adverse effect on Mallinckrodt s financial condition, results of operations and cash flows.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in pharmaceutical or biotechnology patents has emerged to date in the U.S. The patent situation outside the U.S. is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the U.S. and other countries may diminish the value of Cadence s intellectual property. Accordingly, Mallinckrodt cannot predict the breadth of claims that may be allowed or enforced in Cadence s patents or in third-party patents.

The degree of future protection for Cadence s proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect its rights or permit Cadence to gain or keep its competitive advantage. For example:

- Cadence s licensors might not have been the first to make the inventions covered by each of its pending patent applications and issued patents;
- Cadence s licensors might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate any of Cadence s products, product candidates or technologies;
- the issued patents covering Cadence s products or product candidates may not provide a basis for commercially viable active products, may not provide Cadence with any competitive advantages, or may be challenged by third parties;

Cadence may not develop additional proprietary technologies that are patentable; or

patents of others may have an adverse effect on Cadence s business.

In addition, some countries, including Canada, do not grant patent claims directed to methods of treating humans, and in these countries patent protection may not be available at all to protect Cadence s products or product candidates. Even if patents are issued, Mallinckrodt cannot guarantee that the claims of those patents will be valid and enforceable or will provide Cadence with any significant protection against competitive products, or otherwise be commercially valuable to Cadence.

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Cadence also relies on trade secrets to protect its technology, particularly where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Cadence s licensors, employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose its information to competitors. Enforcing a claim that a third party illegally obtained and is using Cadence s trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the U.S. are sometimes less willing to protect trade secrets. Moreover, Cadence s competitors may independently develop equivalent knowledge, methods and know-how.

If Cadence s licensors or Cadence fail to obtain or maintain patent protection or trade secret protection for OFIRMEV or any other product or product candidate it may license or acquire, third parties could use its proprietary information, which could impair its ability to compete in the market and adversely affect Mallinckrodt s ability to generate revenues and achieve profitability.

The failure to successfully integrate Cadence s business and operations in the expected time frame may adversely affect Mallinckrodt s future results.

Mallinckrodt believes that the acquisition of Cadence will result in certain benefits, including certain cost synergies and operational efficiencies. However, to realize these anticipated benefits, the businesses of Mallinckrodt and Cadence must be successfully combined. The success of the Cadence Acquisition will depend on the combined company s ability to realize these anticipated benefits from combining the businesses of Mallinckrodt and Cadence. The combined company may fail to realize the anticipated benefits of the acquisition for a variety of reasons, including the following:

- failure to successfully manage relationships with customers, distributors, licensors and suppliers;
- failure to leverage the increased scale of the combined company quickly and effectively;
- potential difficulties integrating and harmonizing financial reporting systems;
- the loss of key employees; and
- failure to effectively coordinate sales and marketing efforts to communicate the attributes and benefits of OFIRMEV and the capabilities of the combined company.

The actual integration may result in additional and unforeseen expenses or delays. If Mallinckrodt is not able to successfully integrate Cadence s business and operations, or if there are delays in combining the businesses, the anticipated benefits of the Cadence Acquisition may not be realized fully or at all or may take longer to realize than expected.

The U.S. Drug Enforcement Administration (DEA) regulates the availability of controlled substances that are active pharmaceutical ingredients (API), drug products under development and marketed drug products. At times, the procurement and manufacturing quotas granted by the DEA may be insufficient to meet Mallinckrodt s commercial and research and development (R&D) needs.

The DEA is the federal agency responsible for domestic enforcement of the Controlled Substances Act of 1970 (the CSA). The CSA classifies drugs and other substances based on identified potential for abuse. Schedule I controlled substances, such as heroin and LSD, have a high abuse potential and have no currently accepted medical use; thus, they cannot be lawfully marketed or sold. Schedule II controlled substances include molecules such as oxycodone, oxymorphone, morphine, fentanyl, hydrocodone and methylphenidate.

The manufacture, storage, distribution and sale of these controlled substances are permitted, but highly regulated. The DEA regulates the availability of API, products under development and marketed drug products that are Schedule II by setting annual quotas. Every year, Mallinckrodt must apply to the DEA for manufacturing quota to manufacture API and procurement quota to manufacture finished dosage products. Given that the DEA has discretion to grant or deny Mallinckrodt s manufacturing and procurement quota requests, the quota the DEA

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grants may be insufficient to meet Mallinckrodt s commercial and R&D needs. For example, during calendar 2012, the initial hydrocodone manufacturing and procurement quota grants Mallinckrodt received from the DEA were below the amounts requested and were therefore insufficient to meet customer demand. While Mallinckrodt was granted additional quota, these shortfalls did result in lost sales of hydrocodone products, the amount of which was not significant. Future delay or refusal by the DEA to grant, in whole or in part, Mallinckrodt s quota requests could delay or result in stopping the manufacture of Mallinckrodt s marketed drug products, new product launches or the conduct of bioequivalence studies and clinical trials. Such delay or refusal also could require Mallinckrodt to allocate marketed drug products among its customers. These factors, along with any delay or refusal by the DEA to provide customers who purchase API from Mallinckrodt with sufficient quota, could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. To date in calendar 2014, manufacturing and procurement quotas granted by the DEA have been sufficient to meet Mallinckrodt s sales and inventory requirements on most products.

The manufacture of Mallinckrodt s products is highly exacting and complex, and Mallinckrodt s business could suffer if Mallinckrodt or its suppliers encounter manufacturing or supply problems.

The manufacture of Mallinckrodt s products is highly exacting and complex, due in part to strict regulatory and manufacturing requirements. Problems may arise during manufacturing for a variety of reasons including equipment malfunction, failure to follow specific protocols and procedures, defective raw materials and environmental factors. If a batch of finished product fails to meet quality standards during a production run, then that entire batch of product may have to be discarded. These problems could lead to backorders, increased costs (including contractual damages for failure to meet supply requirements), lost revenue, damage to customer relationships, time and expense spent investigating, correcting and preventing the root causes and, depending on the root causes, similar losses with respect to other products. In fiscal 2012, Mallinckrodt experienced disruptions in supplying products to its customers due to a number of factors, including mechanical, capacity and packaging quality control issues and the implementation of a new production planning system at Mallinckrodt s Hobart, New York manufacturing facility. These issues resulted in higher than usual backorders and obligations to pay contractual damages for failure to meet supply requirements. During fiscal 2012, Mallinckrodt s Generics business incurred approximately $13 million of expenses for such contractual damages, a substantial portion of which was attributable to the issues experienced at this facility. Mallinckrodt has not experienced material expenses related to manufacturing problems subsequent to fiscal 2012. In the event that manufacturing problems are not discovered before the product is released to the market, Mallinckrodt also could incur product recall and product liability costs. If Mallinckrodt incurs a product recall or product liability costs involving one of its products, such product could receive reduced market acceptance and thus reduced product demand and could harm Mallinckrodt s reputation and Mallinckrodt s ability to market Mallinckrodt s products in the future. Significant manufacturing problems could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

The global supply of fission-produced molybdenum-99 (Mo-99) is limited. Mallinckrodt s inability to obtain and/or to timely transport Mo-99 to its technetium-99m (Tc-99m) generator production facilities could prevent Mallinckrodt from delivering its Ultra-Technekow DTE Tc-99m generators to its customers in the required quantities, within the required timeframe, or at all, which could result in order cancellations and decreased revenues or increased costs if Mallinckrodt procures supply from other sources.

Mo-99 is a critical ingredient of Mallinckrodt s Tc-99m generators. Mo-99 is produced in nuclear research reactors utilizing high enriched uranium (HEU) or low enriched uranium (LEU) targets. These targets, either tubular or flat and of varying sizes, are fabricated from HEU or LEU and, in either case, aluminum. The targets are placed in or near the core of the nuclear reactor where fission reactions occur resulting in the production of Mo-99 and other isotopes. This process, which takes approximately six days, is known as target irradiation. There are currently eight reactors around

the world producing the global supply of Mo-99. Mallinckrodt has agreements to obtain Mo-99 from three of these reactors and Mallinckrodt relies predominantly on two of these reactors for Mallinckrodt s Mo-99 supply. These reactors are subject to scheduled and unscheduled shutdowns

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which can have a significant impact on the amount of Mo-99 available for processing. Mo-99 produced at these reactors is then finished at one of five processing sites located throughout the world, including Mallinckrodt s processing facility located in the Netherlands. At the processing facility, the targets are dissolved and chemically separated. In this process, the Mo-99 is isolated as a radiochemical. Once finished, Mo-99 must be transported to generator facilities where it is loaded into Mallinckrodt s Tc-99m generators that are sold, in the U.S., principally to nuclear radiopharmacies as well as hospitals and, in Europe and other markets, principally to hospitals, where single unit doses are then prepared. Mo-99 has a 66-hour half-life and decays primarily into Tc-99m, which has a half-life of only six hours. The radiopharmacies or hospitals prepare dosages from the Tc-99m generators for use in single photon emission computed tomography (SPECT) imaging medical procedures. Given the product s radioactive decay, if Mallinckrodt encounters delays in transporting Mo-99 to Mallinckrodt s generator facilities, or if the generator facilities experience delays in loading Mo-99, Mallinckrodt may be limited in the amount of Ultra-Technekow DTE generators that it could manufacture, distribute and sell, which could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

In November 2012, the High Flux Reactor (HFR) in Petten, the Netherlands, one of two primary reactors Mallinckrodt utilizes, experienced an unscheduled shutdown. Mallinckrodt was able to receive increased target irradiations at the two other reactors and purchased additional Mo-99 from other sources to continue meeting customer orders; however, the additional Mo-99 Mallinckrodt procured from alternative sources came at a higher than normal cost. The reactor resumed production in June 2013.

In October 2013, the HFR experienced another unscheduled shutdown. In addition, Mallinckrodt s Mo-99 processing facility in Petten, the Netherlands also experienced a shutdown. The HFR resumed production of medical isotopes and irradiation of materials in February 2014 and the Mo-99 processing facility resumed production in April 2014. Ongoing increased raw material and manufacturing costs will very likely limit Mallinckrodt s ability to return the Global Medical Imaging segment to historical operating margins.

Future unplanned shutdowns of nuclear reactors that Mallinckrodt uses to irradiate targets could impact the amount of available Mo-99, which could result in global shortages, continued increased raw material costs and decreased sales. While Mallinckrodt is pursuing additional sources of Mo-99 from potential producers around the world to augment its current supply, it is not certain whether these possible additional sources of Mo-99 will produce commercial quantities of Mo-99 for Mallinckrodt s business, or that these suppliers, together with Mallinckrodt s current suppliers, will be able to deliver a sufficient quantity of Mo-99 to meet Mallinckrodt s needs. Ongoing increased raw material and manufacturing costs will limit Mallinckrodt s ability to return the Global Medical Imaging segment to historical operating margins.

In response to the U.S. National Security Administration s Global Threat Initiative, Mallinckrodt is in the process of converting Mallinckrodt s Mo-99 production operation in the Netherlands from HEU targets to LEU targets. There can be no assurance that Mallinckrodt will be successful in completing this conversion.

Mallinckrodt currently uses HEU targets for the production of Mo-99. In 2004, the U.S. National Security Administration established its Global Threat Initiative to, as quickly as possible, identify, secure and remove or facilitate the disposition of vulnerable, high-risk nuclear and radiological materials around the world. Included as one of the stated initiatives is the conversion by research reactors and isotope production facilities to LEU from HEU. Mallinckrodt is in the process of converting Mallinckrodt s Mo-99 production operation in the Netherlands to LEU targets. However, there is no assurance that Mallinckrodt will be successful in completing the conversion. If Mallinckrodt is successful in converting to LEU targets, Mallinckrodt expects that the manufacturing costs will be higher than those incurred while utilizing HEU targets, which may negatively impact the profitability of its Global Medical Imaging segment.

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Mallinckrodt s customer concentration may materially adversely affect its financial condition and results of operations.

Mallinckrodt primarily sells its products to a limited number of wholesale drug distributors and large pharmacy chains. In turn, these wholesale drug distributors and large pharmacy chains supply products to pharmacies, hospitals, governmental agencies and physicians. Sales to two of Mallinckrodt s distributors that supply its products to many end user customers, Cardinal Health, Inc. and McKesson Corporation, each accounted for 10% or more of its total net sales in each of the past three fiscal years and in the three and six months ended March 28, 2014. Additionally, AmerisourceBergen Corporation accounted for 10% or more of Mallinckrodt s total net sales in fiscal 2011 and in the three and six months ended March 28, 2014. If Mallinckrodt was to lose the business of these distributors, or if these distributors were to experience difficulty in paying Mallinckrodt on a timely basis, this could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Cost-containment efforts of Mallinckrodt s customers, purchasing groups, third-party payors and governmental organizations could materially adversely affect its net sales and results of operations.

In an effort to reduce cost, many existing and potential customers for Mallinckrodt s products within the U.S. have become members of group purchasing organizations (GPOs) and integrated delivery networks (IDNs). GPOs and IDNs negotiate pricing arrangements with healthcare product manufacturers and distributors and offer the negotiated prices to affiliated hospitals and other members. GPOs and IDNs typically award contracts on a category-by-category basis through a competitive bidding process. Bids are generally solicited from multiple manufacturers with the intention of driving down pricing. Due to the highly competitive nature of the GPO and IDN contracting processes, there is no assurance that Mallinckrodt will be able to obtain or maintain contracts with major GPOs and IDNs across Mallinckrodt s product portfolio. Furthermore, the increasing leverage of organized buying groups may reduce market prices for Mallinckrodt s products, thereby reducing Mallinckrodt s profitability. While having a contract with a GPO or IDN for a given product can facilitate sales to members of that GPO or IDN, having a contract is no assurance that sales volume of those products will be maintained. GPOs and IDNs increasingly are awarding contracts to multiple suppliers for the same product category. Even when Mallinckrodt is the sole contracted supplier of a GPO or IDN for a certain product, members of the GPO or IDN generally are free to purchase from other suppliers. Furthermore, GPO and IDN contracts typically are terminable without cause upon 60 to 90 days prior notice. Accordingly, although Mallinckrodt has contracts with many major GPOs and IDNs, the members of such groups may choose to purchase from Mallinckrodt s competitors, which could result in a decline in Mallinckrodt s net sales and results of operations.

Distributors of Mallinckrodt s products are negotiating terms of sale more aggressively in an effort to increase their profitability. Failure to negotiate distribution arrangements having advantageous pricing and other terms of sale could cause Mallinckrodt to lose market share to its competitors and could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. Outside the U.S., Mallinckrodt has experienced pricing pressure due to the concentration of purchasing power in centralized governmental healthcare authorities and increased efforts by such authorities to lower healthcare costs. Mallinckrodt frequently is required to engage in competitive bidding for the sale of Mallinckrodt s products to governmental purchasing agents. Mallinckrodt s failure to offer acceptable prices to these customers could materially adversely affect its net sales and results of operations in these markets.

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Mallinckrodt may be unable to successfully develop or commercialize new products or adapt to a changing technology and diagnostic treatment landscape and, as a result, its results of operations may suffer.

Mallinckrodt s future results of operations will depend to a significant extent upon its ability to successfully develop and commercialize new products in a timely manner. There are numerous difficulties in developing and commercializing new products, including:

- developing, testing and manufacturing products in compliance with regulatory and quality standards in a timely manner;
- receiving requisite regulatory approvals for such products in a timely manner, or at all;
- the availability, on commercially reasonable terms, of raw materials, including API and other key ingredients;
- developing and commercializing a new product is time-consuming, costly and subject to numerous factors, including legal actions brought by Mallinckrodt s competitors, that may delay or prevent the development and commercialization of new products;
- unanticipated costs;
- payment of prescription drug user fees to the FDA to defray the costs of review and approval of marketing applications for branded and generic drugs;
- experiencing delays as a result of limited resources at the FDA or other regulatory authorities;
- changing review and approval policies and standards at the FDA or other regulatory authorities;
- potential delay in the commercializing of generic products by up to 30 months resulting from the listing of patents with the FDA; and
- effective execution of the planned launch in a manner that is consistent with anticipated costs.

As a result of these and other difficulties, products currently in development by Mallinckrodt may or may not receive timely regulatory approvals, or approvals at all, as to one or more dosage strengths. This risk particularly exists with respect to the development of proprietary products due to the uncertainties, higher costs and length of time associated with R&D of such products and the inherent unproven market acceptance of such products. In addition, Mallinckrodt faces heightened risks in connection with Mallinckrodt s development of extended-release products because of the

technical complexities and evolving regulatory and quality requirements related to such products. Moreover, the FDA regulates the facilities, processes and procedures used to manufacture and market pharmaceutical products in the U.S. Manufacturing facilities must be registered with the FDA and all products made in such facilities must be manufactured in accordance with current good manufacturing practice (cGMP) regulations enforced by the FDA. Compliance with cGMP regulations requires the dedication of substantial resources and requires significant expenditures. The FDA periodically inspects both Mallinckrodt s facilities and procedures to ensure compliance. The FDA may cause a suspension or withdrawal of product approvals if regulatory standards are not maintained. In the event an approved manufacturing facility for a particular drug is required by the FDA to curtail or cease operations, or otherwise becomes inoperable, obtaining the required FDA authorization to manufacture at the same or a different manufacturing site could result in production delays, which could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

With respect to generic products for which Mallinckrodt is the first developer to have its application accepted for filing by the FDA, and which filing includes a Paragraph IV certification to the effect that the applicable patent(s) are invalid, unenforceable and/or not infringed, Mallinckrodt s ability to obtain and realize the full benefits of 180 days of market exclusivity is dependent upon a number of factors, including, for example, being the first to file, the status of any litigation that might be brought against Mallinckrodt as a result of its filing or its not meeting regulatory, manufacturing or quality requirements or standards. If any of Mallinckrodt s

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products are not timely approved, or if Mallinckrodt is unable to obtain and realize the full benefits of the 180-day market exclusivity period for its products, or if its products cannot be successfully manufactured or timely commercialized, Mallinckrodt s results of operations could be materially adversely affected. In addition, Mallinckrodt cannot guarantee that any investment it makes in developing products will be recouped, even if it is successful in commercializing those products.

Also, new products, including contrast agents, are being developed and existing products are being refined in the field of diagnostic imaging. Mallinckrodt s own diagnostic imaging agents compete not only with other similarly administrated imaging agents, but also with imaging agents employed in different and often competing diagnostic modalities. New imaging agents in a given diagnostic modality may be developed that provide benefits superior to the then-dominant agent in that modality, resulting in commercial displacement. Similarly, changing perceptions about comparative efficacy and safety, including, among other things, with respect to comparative radiation exposure, and changing availability of supply may favor one agent over another or one modality over another.

Mallinckrodt may be unable to protect its intellectual property rights or may be subject to claims that it infringes on the intellectual property rights of others.

Mallinckrodt relies on a combination of patents, trademarks, trade secrets, market exclusivity gained from the regulatory approval process and other intellectual property to support Mallinckrodt s business strategy. However, Mallinckrodt s efforts to protect its intellectual property rights, including the intellectual property rights acquired in the Cadence Acquisition as described above, may not be sufficient. If Mallinckrodt does not obtain sufficient protection for its intellectual property, or if Mallinckrodt is unable to effectively enforce its intellectual property rights, its competitiveness could be impaired, which would limit Mallinckrodt s growth and future revenue.

Mallinckrodt s pending patent applications may not result in the issuance of patents, or the patents issued to or licensed by Mallinckrodt in the past or in the future may be challenged or circumvented by competitors. Existing patents may be found to be invalid or insufficiently broad to preclude Mallinckrodt s competitors from using methods or making or selling products similar or identical to those covered by Mallinckrodt s patents and patent applications. Regulatory agencies may refuse to grant Mallinckrodt the market exclusivity that it was anticipating, or may unexpectedly grant market exclusivity rights to other parties. In addition, Mallinckrodt s ability to obtain and enforce intellectual property rights is limited by the unique laws of each country. In some countries it may be particularly difficult to adequately obtain or enforce intellectual property rights, which could make it easier for competitors to capture market share in such countries by utilizing technologies and product features that are similar or identical to those developed or licensed by Mallinckrodt. Competitors also may harm Mallinckrodt s sales by designing products that mirror the capabilities of Mallinckrodt s products or technology without infringing Mallinckrodt s patents. Competitors may diminish the value of Mallinckrodt s trade secrets by reverse engineering or by independent invention. Additionally, current or former employees may improperly disclose such trade secrets to competitors or other third parties. Mallinckrodt may not become aware of any such improper disclosure, and, in the event it does become aware, there may not be an adequate remedy available to Mallinckrodt.

Mallinckrodt operates in an industry characterized by extensive patent litigation, and Mallinckrodt may from time to time be a party to such litigation. In *Tyco Healthcare Group LP, et al. v. Mutual Pharmaceutical Company, Inc.*, Mallinckrodt filed a patent infringement suit in the U.S. District Court for the District of New Jersey against Mutual Pharmaceutical Co., Inc., et al. (collectively, Mutual) on March 20, 2007 pursuant to procedures set out in the Drug Price Competition and Patent Term Restoration Act of 1984, after Mutual submitted an ANDA to the FDA seeking to sell a generic version of Mallinckrodt s 7.5 mg RESTORIL (temazepan) sleep aid product (Restoril). Mutual also filed antitrust and unfair competition counterclaims. The patents at issue have since expired or been found invalid. On January 18, 2013, the trial court issued an opinion and order granting Mallinckrodt s motion for summary judgment

regarding Mutual s antitrust and unfair

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competition counterclaims. On May 1, 2013, Mutual appealed this decision to the U.S. Court of Appeals for the Federal Circuit and oral arguments were heard on February 6, 2014.

The pursuit of or defense against patent infringement, such as the case discussed above, is costly and time-consuming and Mallinckrodt may not know the outcomes of such litigation for protracted periods of time. Mallinckrodt may be unsuccessful in its efforts to enforce its patent or other intellectual property rights. In addition, patent litigation can result in significant damage awards, including the possibility of treble damages and injunctions. Additionally, Mallinckrodt could be forced to stop manufacturing and selling certain products, or may need to enter into license agreements that require Mallinckrodt to make significant royalty or up-front payments in order to continue selling the affected products. Given the nature of Mallinckrodt s industry, Mallinckrodt is likely to face additional claims of patent infringement in the future. A successful claim of patent or other intellectual property infringement against Mallinckrodt could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt faces significant competition and may not be able to compete effectively.

The industries in which Mallinckrodt operates are highly competitive. Competition takes many forms, such as price reductions on products that are comparable to Mallinckrodt s own, development, acquisition or in licensing of new products that may be more cost-effective than or have performance superior to Mallinckrodt s products, and the introduction of generic versions when Mallinckrodt s proprietary products lose their patent protection or market exclusivity. For further discussion on the competitive nature of Mallinckrodt s business, as well as intellectual property rights and market exclusivity, refer to the section entitled *Description of Mallinckrodt s Business*. Mallinckrodt s current or future products could be rendered obsolete or uneconomical as a result of this competition. Mallinckrodt s failure to compete effectively could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

Any acquisitions of technologies, products and businesses may be difficult to integrate, could materially adversely affect Mallinckrodt s relationships with key customers and/or could result in significant impairment charges.

Mallinckrodt regularly reviews potential acquisitions of technologies, products and businesses complementary to Mallinckrodt s business. Acquisitions typically entail many risks and could result in difficulties in integrating operations, personnel, technologies and products. If Mallinckrodt is not able to successfully integrate its acquisitions, including Cadence and, if the Merger is completed, Questcor, Mallinckrodt may not obtain the advantages and synergies that the acquisitions were intended to create, which may have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. Moreover, the due diligence that Mallinckrodt conducts in conjunction with an acquisition may not sufficiently discover risks and contingent liabilities associated with the acquisition target and, consequently, Mallinckrodt may consummate an acquisition for which the risks and contingent liabilities are greater than were projected. In addition, in connection with acquisitions, Mallinckrodt could experience disruption in its business, technology and information systems, and Mallinckrodt s customer or employee base, including diversion of management s attention from Mallinckrodt s continuing operations. There is also a risk that key employees of companies that Mallinckrodt acquires or key employees necessary to successfully commercialize technologies and products that Mallinckrodt acquires may seek employment elsewhere, including with Mallinckrodt s competitors. Furthermore, there may be overlap between Mallinckrodt s products or customers and the companies which Mallinckrodt acquires that may create conflicts in relationships or other commitments detrimental to the integrated businesses. Additionally, the time between Mallinckrodt s expenditures to acquire new products, technologies or businesses and the subsequent generation of revenues from those acquired products, technologies or businesses (or the timing of revenue recognition related to licensing agreements and/or strategic collaborations) could cause fluctuations in Mallinckrodt s financial performance from period to period.

Finally, if Mallinckrodt is unable to successfully integrate products, technologies,

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businesses or personnel that it acquires, Mallinckrodt could incur significant impairment charges or other adverse financial consequences.

Mallinckrodt may incur product liability losses and other litigation liability.

Mallinckrodt is or may be involved in various legal proceedings and certain government inquiries and investigations, including, but not limited to, patent infringement, product liability, antitrust matters, breach of contract, Medicare and Medicaid reimbursements claims, or compliance with laws relating to marketing and sales or controlled substance distribution practices, including those relating to the establishment of suspicious order monitoring (SOM) programs. Such proceedings, inquiries and investigations may involve claims for, or the possibility of fines and penalties involving substantial amounts of money or other relief, including but not limited to civil or criminal fines and penalties and exclusion from participation in various government healthcare-related programs. If any of these legal proceedings, inquiries or investigations were to result in an adverse outcome, the impact could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

With respect to product liability and clinical trial risks, in the ordinary course of business Mallinckrodt is subject to liability claims and lawsuits, including potential class actions, alleging that Mallinckrodt s marketed products or products in development have caused, or could cause, serious adverse events or other injury. Any such claim brought against Mallinckrodt, with or without merit, could be costly to defend and could result in an increase in Mallinckrodt s insurance premiums. Mallinckrodt retains liability for the first $2.5 million per claim and purchase, through a combination of primary and umbrella/excess liability policies, $150 million of coverage beyond the retained liabilities. Mallinckrodt believes this coverage level is adequate to meet Mallinckrodt s current business exposure. However, some claims brought against Mallinckrodt might not be covered by its insurance policies. Moreover, where the claim is covered by Mallinckrodt s insurance, if its insurance coverage is inadequate, Mallinckrodt would have to pay the amount of any settlement or judgment that is in excess of its policy limits. Mallinckrodt may not be able to obtain insurance on terms acceptable to it or at all since insurance varies in cost and can be difficult to obtain. Mallinckrodt s failure to maintain adequate insurance coverage or successfully defend against product liability claims could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

The implementation of healthcare reform in the U.S. may materially adversely affect Mallinckrodt.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the Healthcare Reform Act) was enacted into law in the U.S. The Healthcare Reform Act contains a number of provisions that affect coverage and reimbursement of drug products and the medical imaging procedures in which Mallinckrodt s drug products are used. For example, the Healthcare Reform Act includes a provision that imposes a $28 billion fee on the branded pharmaceutical industry over nine years, starting in 2011, and a $2.8 billion annual fee on the branded pharmaceutical industry thereafter. To the extent that the market share of Mallinckrodt s Brands business grows, the portion of this fee that Mallinckrodt will be obligated to pay will increase.

There can be no assurance that the Healthcare Reform Act as currently enacted, and when fully implemented, will not materially adversely affect Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows, nor can Mallinckrodt predict with certainty how federal or state legislative or administrative changes relating to healthcare will affect its business.

Sales of Mallinckrodt s products are affected by the reimbursement practices of a small number of large public and private insurers. In addition, reimbursement criteria and the use of tender systems outside the U.S. could reduce

prices for Mallinckrodt s products or reduce its market opportunities.

Sales of Mallinckrodt s products depend, in part, on the extent to which the costs of its products are reimbursed by governmental health administration authorities, private health coverage insurers and other third-

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party payors. Mallinckrodt s potential customers ability to obtain appropriate reimbursement for products and services from these third-party payors affects the selection of products they purchase and the prices they are willing to pay. In addition, demand for new products may be limited unless Mallinckrodt obtains reimbursement approval from governmental and private third-party payors prior to introduction. Reimbursement criteria, which vary by country, are becoming increasingly stringent and require management expertise and significant attention to obtain and maintain qualification for reimbursement.

In addition, a number of markets in which Mallinckrodt operates have implemented or may implement tender systems in an effort to lower prices. Under such tender systems, manufacturers submit bids which establish prices for products. The company that wins the tender receives preferential reimbursement for a period of time. Accordingly, the tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. Certain other countries may consider implementation of a tender system. Even if a tender system is ultimately not implemented, the anticipation of such could result in price reductions. Failing to win tenders, or the implementation of similar systems in other markets leading to price declines, could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt s reporting and payment obligations under the Medicare and Medicaid rebate programs, and other governmental purchasing and rebate programs, are complex. Any determination of failure to comply with these obligations or those relating to healthcare fraud and abuse laws could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

The regulations regarding reporting and payment obligations with respect to Medicare and Medicaid reimbursement programs, and rebates and other governmental programs, are complex. Because Mallinckrodt s processes for these calculations and the judgments used in making these calculations involve subjective decisions and complex methodologies, these calculations are subject to the risk of errors. In addition, they are subject to review and challenge by the applicable governmental agencies, and it is possible that such reviews could result in material adjustments to amounts previously paid.

Any governmental agencies that have commenced, or may commence, an investigation of Mallinckrodt relating to the sales, marketing, pricing, quality or manufacturing of pharmaceutical products could seek to impose, based on a claim of violation of fraud and false claims laws or otherwise, civil and/or criminal sanctions, including fines, penalties and possible exclusion from federal healthcare programs including Medicare and Medicaid. Some of the applicable laws may impose liability even in the absence of specific intent to defraud. Furthermore, should there be ambiguity with regard to how to properly calculate and report payments, and even in the absence of any such ambiguity, a governmental authority may take a position contrary to a position Mallinckrodt has taken, and may impose civil and/or criminal sanctions. For example, from time to time states attorneys general have brought cases against Mallinckrodt that allege generally that Mallinckrodt and numerous other pharmaceuticals companies reported false pricing information in connection with certain drugs that are reimbursable under Medicaid, resulting in overpayment by state Medicaid programs for those drugs, and generally seek monetary damages and attorneys fees. For example, Mallinckrodt is named as a defendant in *State of Utah v. Actavis US, Inc., et al.*, filed May 8, 2008, which is pending in the Third Judicial Circuit of Salt Lake County, Utah. While Mallinckrodt intends to contest this case and explore other options as appropriate, any such penalties or sanctions that Mallinckrodt might receive in this or other actions could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Changes in laws and regulations may materially adversely affect Mallinckrodt.

The development, manufacture, marketing, sale, promotion, and distribution of Mallinckrodt s products are subject to comprehensive government regulation. Changes in laws and regulations could affect Mallinckrodt in various ways. For example, both the federal and state governments have given increased attention to the public

health issue of opioid abuse, overdose and diversion. At the federal level, the White House Office of National Drug Control Policy continues to coordinate efforts between the FDA, DEA and other agencies to address this problem. In January 2013, the FDA released draft guidance on incorporating abuse-deterrent characteristics into extended-release opioids. When the FDA finds that a new formulation has abuse-deterrent characteristics, the agency has the authority to require that generics also have abuse-deterrent characteristics. One of Mallinckrodt s ANDAs that is currently under review in the U.S. refers to an NDA that did not have abuse-deterrent characteristics. From a compliance standpoint, the DEA continues to increase its efforts to hold manufacturers, distributors and pharmacies accountable through various enforcement actions as well as the implementation of compliance practices for controlled substances, including SOM activities for Schedule II opioids. In addition, many state legislatures continue to consider various bills intended to reduce opioid abuse, overdose and diversion, for example by establishing prescription drug monitoring programs, mandating prescriber education and prohibiting the substitution of generic versions of opioids that lack abuse-deterrent characteristics for branded products that have them. Future legislation and regulation in the markets that Mallinckrodt serves could affect access to healthcare products and services, increase rebates, reduce prices or the rate of price increases for healthcare products and services, change healthcare delivery systems, create new fees and obligations for the pharmaceutical industry, or require additional reporting and disclosure. These and other changes in laws and regulations could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

In October 2013, the FDA announced its recommendation that the DEA reschedule hydrocodone combination products (such as Vicodin® (registered trademark of AbbVie, Inc.) and Mallinckrodt s developmental product MNK-155) from Schedule III to Schedule II, thereby increasing regulatory controls on these drug products. The FDA issued its formal recommendation to the Department of Health and Human Services (DHHS), which in turn issued a similar recommendation to the DEA in December 2013. In February 2014, the DEA issued its proposal to reschedule hydrocodone combination products from Schedule III to Schedule II. The DEA proposal was open for comment through April 28, 2014. At this time, it is too early to determine the degree of impact the hydrocodone rescheduling, if adopted, will have on Mallinckrodt s business.

Global economic conditions could harm Mallinckrodt.

Over the course of the last few years, global market and economic conditions have been unprecedented and challenging, with tighter credit conditions and recession in most major economies. Continued concerns about the systemic impact of potential long-term and wide-spread recession (including concerns that certain European countries may default on payments due on their national debt), energy costs, geopolitical issues and the availability and cost of credit have contributed to increased market volatility and diminished growth expectations for developed and developing economies.

As a result of these market conditions, the cost and availability of credit may be adversely affected. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have resulted in a decrease in spending by businesses and consumers alike. Continued turbulence in the U.S. and international markets and economies and prolonged declines in consumer spending may materially adversely affect Mallinckrodt s liquidity and financial condition as well as Mallinckrodt s share price.

Mallinckrodt s global operations expose it to risks and challenges associated with conducting business internationally.

Mallinckrodt operates globally with offices or activities in Europe, Africa, Asia, South America, Australia and North America. Mallinckrodt faces several risks inherent in conducting business internationally, including compliance with

international and U.S. laws and regulations that apply to Mallinckrodt s international operations. These laws and regulations include data privacy requirements, labor relations laws, tax laws, anti-competition regulations, import and trade restrictions, export requirements, U.S. laws such as the Foreign

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Corrupt Practices Act of 1977 and local laws which also prohibit corrupt payments to governmental officials or certain payments or remunerations to customers. Given the high level of complexity of these laws, there is a risk that some provisions may be violated, for example inadvertently or through fraudulent or negligent behavior of individual employees, Mallinckrodt s failure to comply with certain formal documentation requirements or otherwise. Violations of these laws and regulations could result in fines or criminal sanctions against Mallinckrodt, its officers or Mallinckrodt s employees, and prohibitions on the conduct of its business. Any such violations could include prohibitions on Mallinckrodt s ability to offer its products in one or more countries and could materially damage its reputation, its brand, its international expansion efforts, its ability to attract and retain employees, its business and its results of operations. Mallinckrodt s success depends, in part, on its ability to anticipate and prevent or mitigate these risks and manage difficulties as they arise.

In addition to the foregoing, engaging in international business inherently involves a number of other difficulties and risks, including:

- longer payment cycles in countries like Spain and Italy and difficulties in enforcing agreements and collecting receivables through certain non-U.S. legal systems;
- political and economic instability, including, most notably, the risks and uncertainty associated with the current concerns regarding the stability of the Eurozone and the related possibility of sovereign defaults in countries such as Spain and Italy, and the possibility that such a default or the exit of one or more member countries from the Eurozone or from the European Union (E.U.) entirely may lead to difficulties for other members of the E.U.;
- potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements and trade barriers; and
- failure to successfully implement Mallinckrodt s new non-U.S. operating structure, and difficulties and costs of staffing and managing non-U.S. operations.

These or other factors or any combination of them may have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Currency exchange rate fluctuations could materially adversely affect Mallinckrodt s business and results of operations.

Mallinckrodt does business and generates sales in numerous countries outside the U.S. As such, currency exchange rate fluctuations may affect the costs that Mallinckrodt incurs in such international operations. Some of Mallinckrodt s operating expenses are incurred in non-U.S. dollar currencies. The appreciation of non-U.S. dollar currencies relative to the U.S. dollar in those countries where Mallinckrodt has operations could increase its costs and could harm its results of operations and financial condition. Mallinckrodt also has significant intercompany financing arrangements that may result in gains and losses in its results of operations. In an effort to mitigate the impact of currency exchange rate effects Mallinckrodt may hedge certain of these intercompany transactions; however, Mallinckrodt s hedging strategies may not fully offset gains and losses recognized in Mallinckrodt s results of operations. In addition, Mallinckrodt reports its operating results in U.S. dollars, so the appreciation of the U.S. dollar relative to such other

currencies could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt s operations expose it to the risk of material health, safety and environmental liabilities, litigation and violations.

Mallinckrodt is subject to numerous federal, state, local and non-U.S. environmental protection and health and safety laws and regulations governing, among other things:

the generation, storage, use and transportation of hazardous materials;

emissions or discharges of substances into the environment;

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investigation and remediation of hazardous substances or materials at various sites;

chemical constituents in products and end-of-life disposal, mandatory recycling and take-back programs; and

the health and safety of Mallinckrodt s employees.

Mallinckrodt may not have been, or Mallinckrodt may not at all times be, in full compliance with environmental and health and safety laws and regulations. In the event a regulatory authority concludes that Mallinckrodt is not in full compliance with these laws, Mallinckrodt could be fined, criminally charged or otherwise sanctioned. Environmental laws are becoming more stringent, including outside the U.S., resulting in increased costs and compliance burdens.

Certain environmental laws assess liability on current or previous owners of real property and current or previous owners or operators of facilities for the costs of investigation, removal or remediation of hazardous substances or materials at such properties or at properties at which parties have disposed of hazardous substances. Liability for investigative, removal and remedial costs under certain federal and state laws is retroactive, strict (i.e., can be imposed regardless of fault) and joint and several. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. Certain radiological licenses at certain manufacturing sites owned by Mallinckrodt require the establishment of decommissioning programs which will require remediation in accordance with regulatory requirements upon cessation of operations at such sites. Mallinckrodt has received notification from the U.S. Environmental Protection Agency (EPA) and similar state environmental agencies that conditions at a number of sites where the disposal of hazardous substances requires investigation, cleanup and other possible remedial action. These agencies may require that Mallinckrodt reimburse the government for its costs incurred at these sites or otherwise pay for the costs of investigation and cleanup of these sites, including by providing compensation for natural resource damage claims arising from such sites.

In the ordinary course of Mallinckrodt s business planning process, Mallinckrodt takes into account Mallinckrodt s known environmental matters as it plans for future capital and operating expenditures requirements. The ultimate cost of site cleanup and timing of future cash outflows is difficult to predict, given the uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations, and alternative cleanup methods. Mallinckrodt concluded that, as of March 28, 2014, it was probable that Mallinckrodt would incur remedial costs in the range of $44.9 million to $118.6 million. Mallinckrodt also concluded that, as of March 28, 2014, the best estimate within this range was $68.0 million. For further information on Mallinckrodt s environmental obligations, refer to *Description of Mallinckrodt s Business Legal Proceedings*, Note 18 of Mallinckrodt s annual consolidated and combined financial statements and Note 16 of Mallinckrodt s interim unaudited consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus. Based upon information known to date, Mallinckrodt believes that its current capital and operating plans are adequate for costs associated with the investigation, cleanup and potential remedial action for Mallinckrodt s known environmental matters.

While Mallinckrodt has planned for future capital and operating expenditures to comply with environmental laws, Mallinckrodt s costs of complying with current or future environmental protection and health and safety laws and regulations, or its liabilities arising from past or future releases of, or exposures to, hazardous substances may exceed its estimates or could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows. Mallinckrodt may also be subject to additional environmental claims for personal injury or cost recovery actions for remediation of facilities in the future based on its past, present or future business activities.

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Mallinckrodt may not achieve the anticipated benefits of price increases enacted on its pharmaceutical products, which may adversely affect its business.

From time to time, Mallinckrodt initiates price increases on certain of its pharmaceutical products. There is no guarantee that Mallinckrodt s customers will be receptive to these price increases and continue to purchase the products at historical quantities. If customers do not maintain or increase existing sales volumes after price increases are enacted, and Mallinckrodt is unable to replace lost sales with orders from other customers, it could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

If Mallinckrodt is unable to retain its key personnel, it may be unable to maintain or expand its business.

Because of the specialized scientific nature of Mallinckrodt s business, its ability to develop products and to compete with its current and future competitors will remain highly dependent, in large part, upon its ability to attract and retain qualified scientific, technical, regulatory and commercial personnel. The loss of key scientific, technical, regulatory and commercial personnel, or the failure to recruit additional key scientific, technical, regulatory and commercial personnel, could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. There is intense competition for qualified personnel in the areas of Mallinckrodt s activities, and Mallinckrodt may not be able to continue to attract and retain the qualified personnel necessary for the development of its business.

Mallinckrodt s business depends on the continued effectiveness and availability of its information technology infrastructure, and failures of this infrastructure could harm its operations.

To remain competitive in Mallinckrodt s industry, Mallinckrodt must employ information technologies to support manufacturing processes, quality processes, distribution, R&D and regulatory applications that capture, manage and analyze, in compliance with applicable regulatory requirements, the large streams of data generated in Mallinckrodt s clinical trials. Mallinckrodt relies extensively on technology to allow concurrent work sharing around the world. As with all information technology, Mallinckrodt s systems are vulnerable to potential damage or interruptions from fires, blackouts, telecommunications failures and other unexpected events, as well as physical and electronic break-ins, sabotage, piracy or intentional acts of vandalism. Given the extensive reliance of Mallinckrodt s business on technology, any substantial disruption or resulting loss of data that is not avoided or corrected by its backup measures could harm its business, operations and financial condition.

Mallinckrodt may not achieve some or all of the expected benefits of its restructuring activities and its restructuring activities may adversely affect its business.

From time to time, Mallinckrodt initiates restructuring programs as it continues to realign its cost structure due to the changing nature of its business and look for opportunities to achieve operating efficiencies that will reduce costs. Mallinckrodt may not be able to obtain the cost savings and benefits that were initially anticipated when it launched its restructuring programs. Additionally, as a result of Mallinckrodt s restructuring activities Mallinckrodt may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods. Reorganizations and restructurings can require a significant amount of management and other employees time and focus, which may divert attention from operating and growing Mallinckrodt s business. If Mallinckrodt fails to achieve some or all of the expected benefits of Mallinckrodt s restructuring activities, it could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

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Risks Related to Mallinckrodt s Separation from Covidien

Mallinckrodt has not operated as an independent company for a significant period of time, and its historical financial information is not necessarily representative of the results that it would have achieved had it been an independent, publicly-traded company for the entirety of the periods presented, and may not be an accurate indicator of Mallinckrodt s future results of operations.

Historical information about Mallinckrodt for periods prior to the separation from Covidien reflects the results of the Pharmaceuticals business of Covidien, as operated by and integrated with Covidien, and is derived from the consolidated financial statements and accounting records of Covidien. Accordingly, this historical financial information does not necessarily reflect the financial condition, results of operations or cash flows that Mallinckrodt would have achieved as an independent, publicly-traded company during the entirety of the periods presented or those that it will achieve in the future due to various factors, including those described below.

Mallinckrodt s business had historically been operated by Covidien as part of its broader corporate organization, rather than as an independent company, particularly in relation to Mallinckrodt s non-U.S. locations. Covidien or one of its affiliates performed various corporate functions for Mallinckrodt, such as accounting, information technology and finance. Covidien is providing some of these functions to Mallinckrodt for a period of time pursuant to a transition services agreement. Mallinckrodt s historical financial results for periods prior to the separation include allocations of corporate expenses from Covidien for such functions and are likely to be less than the expenses Mallinckrodt is incurring operating as an independent, publicly-traded company.

Mallinckrodt is incurring additional expenses as a result of being an independent, publicly-traded company including, among other things, directors and officers liability insurance, director fees, reporting fees with the SEC, New York Stock Exchange listing fees, transfer agent fees, increased auditing and legal fees. These expenses may negatively impact Mallinckrodt s results of operations as compared to periods prior to the separation.

Mallinckrodt s financial results for periods prior to the separation include costs incurred to separate Mallinckrodt from Covidien, which primarily related to legal, accounting, tax and other professional fees. Mallinckrodt continues to incur separation related costs as a result of its transition services agreement with Covidien, as well as other transitional costs, such as costs to implement its own information and accounting systems. Mallinckrodt s future separation related costs may fluctuate based on the nature and timing of its separation activities.

Prior to the separation, Mallinckrodt s working capital and capital for its general corporate purposes had been provided as part of the corporate-wide cash management policies of Covidien. As an independent company, if Mallinckrodt needs to obtain financing, Mallinckrodt will need to obtain such financing from lenders, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.

The cost of debt or equity capital for Mallinckrodt s business may be significantly different than that of Covidien.

Prior to the separation, Mallinckrodt was able to use Covidien s purchasing power in procuring various goods and services and had shared economies of scope and scale in vendor relationships. As a standalone company, Mallinckrodt may be unable to obtain goods and services at the prices and terms obtained prior to the separation, which may negatively impact Mallinckrodt s overall profitability.

Other significant changes may occur in Mallinckrodt s cost structure, management, financing and business operations as a result of operating as a company separate from Covidien. Additional information about the past financial performance of Mallinckrodt s business and the basis of presentation of the historical combined financial statements of Mallinckrodt is included elsewhere in this joint proxy statement/prospectus.

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As Mallinckrodt builds its information technology infrastructure and transitions its data to its own systems, Mallinckrodt could incur substantial additional costs and experience temporary business interruptions.

Mallinckrodt continues to install and implement information technology infrastructure to support its critical business functions, particularly in relation to areas outside the U.S., including systems relating to accounting and reporting, manufacturing process control, customer service, inventory control and distribution. Mallinckrodt may incur temporary interruptions in business operations if it cannot transition effectively from Covidien s transactional and operational systems and data centers and the transition services that support these functions as Mallinckrodt replaces these systems. Mallinckrodt may not be successful in effectively and efficiently implementing its new systems and transitioning its data, and Mallinckrodt may incur substantially higher costs for implementation than currently anticipated. Mallinckrodt s failure to avoid operational interruptions as it implements the new systems and replaces Covidien s information technology services, or Mallinckrodt s failure to implement the new systems and replace Covidien s services effectively and efficiently, could disrupt Mallinckrodt s business and could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

If Mallinckrodt is unable to satisfy its reporting requirements or its internal control over financial reporting is not effective, its business, financial condition or results of operations could be materially adversely affected.

Prior to the separation, Mallinckrodt s financial results were included within the consolidated results of Covidien, and Mallinckrodt s reporting of internal control systems were appropriate for those of subsidiaries of a public company. Prior to the effectiveness of its registration statement on Form 10, Mallinckrodt was not directly subject to reporting and other requirements of the Exchange Act and Section 404 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act).

As an independent, publicly-traded company, Mallinckrodt is now subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act, as well as other reporting requirements. The Exchange Act requires that Mallinckrodt file annual, quarterly and current reports about Mallinckrodt s business and financial condition. The Sarbanes-Oxley Act requires Mallinckrodt s management to report on its assessment of the effectiveness of Mallinckrodt s internal control over financial reporting, and Mallinckrodt s independent auditors will be required to issue an opinion on their audit of Mallinckrodt s internal control over financial reporting. The rules governing the standards that must be met for management to assess Mallinckrodt s internal control over financial reporting are complex and require demands on Mallinckrodt s management and administrative and operational resources, including accounting and information technology resources. To comply with these requirements Mallinckrodt is upgrading its systems, including computer hardware infrastructure, implementing additional financial and management controls, reporting systems and procedures and have hired additional accounting, finance and information technology staff. If Mallinckrodt is unable to upgrade its financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting companies could be impaired. Any failure to meet Mallinckrodt s reporting requirements or achieve and maintain effective internal controls could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt may have received more favorable or less favorable terms from unaffiliated third parties than the terms it received in its agreements with Covidien.

Mallinckrodt entered into agreements with Covidien in connection with the separation, including a separation and distribution agreement, a transition services agreement, a tax matters agreement and an employee matters agreement. Since such agreements were negotiated in the context of the separation, the terms of such agreements may be more favorable or less favorable than the terms that would have resulted from arm s-length negotiations between unaffiliated

third parties.

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Covidien may fail to perform under various transaction agreements that were executed as part of the separation, or Mallinckrodt may fail to have necessary systems and services in place when certain of the transaction agreements expire.

In connection with the separation, Mallinckrodt entered into various agreements with Covidien, including a separation and distribution agreement, a tax matters agreement, an employee matters agreement and a transition services agreement. For further information on these agreements, refer to Exhibits 2.2, 10.1, 10.2 and 10.3, respectively, of the registration statement of which this joint proxy statement/prospectus forms a part. Certain of these agreements provide for the performance of services by each company for the benefit of the other for a period of time after the separation. Mallinckrodt will rely on Covidien to satisfy its performance and payment obligations under these agreements. If Covidien is unable to satisfy its obligations under these agreements, including its indemnification obligations, Mallinckrodt could incur operational difficulties or losses. If Mallinckrodt does not have in place its own systems and services, or if Mallinckrodt does not have agreements with other providers of these services when the transaction or long-term agreements terminate, Mallinckrodt may not be able to operate its business effectively and its profitability may decline. Mallinckrodt continues the process of creating its own, or engaging third parties to provide, systems and services to replace many of the systems and services Covidien provided to Mallinckrodt prior to the separation, and is continuing to provide Mallinckrodt pursuant to these agreements. These systems and services may be more expensive or less efficient than the systems and services Covidien is providing during the transition period.

Potential indemnification liabilities to Covidien pursuant to the separation and distribution agreement could materially adversely affect Mallinckrodt.

The separation and distribution agreement with Covidien provided for, among other things, the principal corporate transactions required to effect the separation, certain conditions to the distribution and provisions governing the relationship between Mallinckrodt and Covidien following the separation. The separation and distribution agreement is included as Exhibit 2.2 of the registration statement of which this joint proxy statement/prospectus forms a part. Among other things, the separation and distribution agreement provides for indemnification obligations principally designed to place financial responsibility for the obligations and liabilities of Mallinckrodt s business with Mallinckrodt and financial responsibility for the obligations and liabilities of Covidien s remaining business with Covidien, among other indemnities. If Mallinckrodt is required to indemnify Covidien under the circumstances set forth in the separation and distribution agreement, Mallinckrodt may be subject to substantial liabilities. These potential indemnification obligations could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt may not achieve some or all of the expected benefits of the separation, and the separation may materially adversely affect Mallinckrodt s business.

Mallinckrodt may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The separation was expected to provide the following benefits, among others: (i) Mallinckrodt s ability to focus on its own strategic and operational plans and capital structure; (ii) an appropriate capital structure for Mallinckrodt; (iii) a distinct investment identity allowing investors to evaluate the merits, performance and future prospects of Mallinckrodt separately from Covidien; and (iv) more effective share-based compensation and currency for acquisitions.

Mallinckrodt may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (a) the separation required significant amounts of management s time and effort, which may have diverted management s attention from operating and growing Mallinckrodt s business; (b) as an independent, publicly-traded company, Mallinckrodt may be more susceptible to market fluctuations and other adverse events than if it were still a

part of Covidien; (c) Mallinckrodt s business is less diversified than Covidien s business prior to the separation; and (d) the continuing actions required to separate Covidien s and Mallinckrodt s

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respective businesses could disrupt Mallinckrodt s operations. If Mallinckrodt fails to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, it could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Risks Related to Mallinckrodt s Indebtedness

As used in this Risks Related to Mallinckrodt s Indebtedness section, references to Mallinckrodt refer to Mallinckrodt plc, an Irish public limited company, and/or its consolidated subsidiaries, as applicable.

Mallinckrodt has significant indebtedness, which could impact its ability to pay dividends and have a negative impact on its financing options and liquidity position.

As of March 28, 2014, after giving pro forma effect to the Merger and the anticipated incurrence of debt in connection therewith, Mallinckrodt had $4,028 million of total debt. Mallinckrodt and/or its subsidiaries may also incur additional indebtedness in the future. Subject to the limits contained in the agreements governing Mallinckrodt s indebtedness, Mallinckrodt may be able to incur additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If Mallinckrodt does so, the risks related to its high level of debt could intensify.

Mallinckrodt s existing and future indebtedness (including, without limitation, the debt anticipated to be incurred in connection with the Merger) may impose restrictions on Mallinckrodt that could have material adverse consequences by:

- limiting Mallinckrodt s ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of Mallinckrodt s cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- limiting Mallinckrodt s ability to refinance Mallinckrodt s indebtedness on terms acceptable to Mallinckrodt or at all;
- imposing restrictive covenants on Mallinckrodt s operations;
- placing Mallinckrodt at a competitive disadvantage to other, less leveraged competitors; and
- making Mallinckrodt more vulnerable to economic downturns and limiting Mallinckrodt s ability to withstand competitive pressures.

Mallinckrodt s ability to meet expense and debt service obligations will depend on its future performance, which will be affected by financial, business, economic and other factors, including government regulation, product development,

intellectual property matters and pressure from competitors. If Mallinckrodt does not generate enough cash to pay its debt service obligations, Mallinckrodt may be required to refinance all or part of its debt (including, without limitation, debt incurred in connection with the Merger), sell its assets, incur additional debt or issue equity. These actions may adversely impact the market price of Mallinckrodt ordinary shares.

Mallinckrodt s existing credit facility bears interest, and Mallinckrodt expects certain of the indebtedness to be incurred in connection with the Merger to bear interest, at variable rates and credit spreads. If interest rates or credit spreads increase, variable rate debt will create higher debt service requirements, which could adversely affect Mallinckrodt s cash flow.

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The agreements governing Mallinckrodt s indebtedness contain various covenants that impose restrictions on Mallinckrodt that may affect its ability to operate its business.

The agreements governing Mallinckrodt s existing credit facility and senior notes contain, and Mallinckrodt expects the agreements governing indebtedness incurred in connection with the Merger to contain, various affirmative and negative covenants that restrict Mallinckrodt s ability to incur liens, incur, assume or guarantee additional indebtedness, enter into sale and lease-back transactions, make loans, advances or other investments, declare or pay dividends or make other distributions with respect to, or purchase or otherwise acquire or retire for value, equity interests, and merge or consolidate with any other person or sell or convey certain of its assets to any person, among other things. In addition, the restrictive covenants in the credit agreement governing Mallinckrodt s existing credit facilities require it to comply with a financial maintenance covenant in certain circumstances. Mallinckrodt s ability to comply with this financial maintenance covenant can be affected by events beyond its control. Failure to comply with this covenant could result in an event of default, which, if not cured or waived, could accelerate Mallinckrodt s repayment obligations.

Challenges in the commercial and credit environment may materially adversely affect Mallinckrodt s ability to issue debt on acceptable terms and Mallinckrodt s future access to capital.

Mallinckrodt s ability to issue debt or enter into other financing arrangements on acceptable terms could be materially adversely affected if there is a material decline in the demand for Mallinckrodt s products or in the solvency of Mallinckrodt s customers or suppliers, or if other significantly unfavorable changes in economic conditions occur. In addition, volatility in the world financial markets could increase borrowing costs or affect Mallinckrodt s ability to access the capital markets, which could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt may need additional financing in the future to meet its capital needs or to make acquisitions, and such financing may not be available on favorable or acceptable terms, and may be dilutive to existing shareholders.

Mallinckrodt may need to seek additional financing for general corporate purposes. For example, Mallinckrodt may need to increase its investment in R&D activities or need funds to make acquisitions. Mallinckrodt may be unable to obtain any desired additional financing on terms that are favorable or acceptable to Mallinckrodt. Depending on market conditions, adequate funds may not be available to Mallinckrodt on acceptable terms and Mallinckrodt may be unable to fund its expansion, successfully develop or enhance products, or respond to competitive pressures, any of which could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. If Mallinckrodt raises additional funds through the issuance of equity securities, Mallinckrodt shareholders will experience dilution of their ownership interest.

Risks Related to Mallinckrodt s Tax Matters

If the distribution fails to qualify as a tax-free transaction for U.S. federal income tax purposes, then Mallinckrodt and its shareholders could be subject to significant tax liability or tax indemnity obligations.

Covidien received an IRS ruling substantially to the effect that, for U.S. federal income tax purposes, (i) certain transactions effected in connection with the separation qualified as transactions under Sections 355 and 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and (ii) the distribution of Mallinckrodt shares qualified as a transaction under Sections 355 and 368(a)(1)(D) of the Code. In addition to obtaining the IRS ruling, Covidien received a tax opinion from Skadden, Arps, Slate, Meagher & Flom LLP, which relied on the effectiveness of the IRS ruling, substantially to the effect that, for U.S. federal income tax purposes, the distribution and certain transactions

entered into in connection with the distribution qualified as transactions under Sections 355 and 368(a) of the Code.

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The IRS ruling and tax opinion rely on certain facts and assumptions, certain representations from Covidien and Mallinckrodt regarding the past and future conduct of their respective businesses and other matters, and certain undertakings made by Covidien and Mallinckrodt. Notwithstanding the IRS ruling and tax opinion, the IRS could determine on audit that the distribution should be treated as a taxable transaction if it determines that any of these facts, assumptions, representations or undertakings is not correct or has been violated, or that the distribution should be taxable for other reasons, including as a result of a significant change in stock or asset ownership after the distribution, or if the IRS were to disagree with the conclusions of the tax opinion that are not covered by the IRS ruling. In addition, Covidien or Mallinckrodt could incur significant U.S. federal income tax liabilities or tax indemnification obligations, whether under applicable law or the tax matters agreement (the tax matters agreement) dated June 28, 2013 that Mallinckrodt entered into with Covidien, if it is ultimately determined that certain related transactions undertaken in anticipation of the distribution are taxable.

Mallinckrodt could have significant tax liabilities under the tax matters agreement with Covidien for periods during which Mallinckrodt s subsidiaries and operations were those of Covidien and of Tyco International Ltd.

Mallinckrodt s tax returns are subject to examination by various tax authorities, including the IRS. The IRS is examining Mallinckrodt s U.S. federal income tax returns for periods during which certain of its subsidiaries and operations were those of Covidien. In addition, the IRS continues to examine the U.S. federal income tax returns of Tyco International Ltd. (Tyco International) for periods during which certain of Mallinckrodt s subsidiaries and operations were those of Tyco International. Mallinckrodt s potential liability under the tax matters agreement with Covidien for any taxes related to periods prior to the separation (after taking into account certain tax benefits realized by us), including those which are subject to the provisions of the tax sharing agreement by and among Covidien, Tyco International and TE Connectivity Ltd. (the Tyco Tax Sharing Agreement), is anticipated to be approximately $157 million, which excludes associated tax benefits from such payments, and will be subject to an overall limitation of $200 million, net of any benefits. For further information on the tax matters agreement, see *Mallinckrodt s Relationship with Covidien Following the Distribution Tax Matters Agreement*.

The resolution of the matters arising during periods in which certain of Mallinckrodt s subsidiaries and operations were subsidiaries and operations of Covidien will be subject to the provisions of the tax matters agreement. Under this agreement, Covidien will have the right to administer, control and settle, in its sole and absolute discretion, all tax audits that do not relate solely to non-U.S. taxes for periods prior to the separation that are not covered by the Tyco Tax Sharing Agreement. The outcome of any such examination, and any associated litigation which might arise, is uncertain and could result in a significant increase in Mallinckrodt s liability for taxes arising during these periods, subject to the overall $200 million limitation described above. The timing and outcome of such examination or litigation is highly uncertain and could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. Under the tax matters agreement, Covidien will agree to provide to Mallinckrodt information it receives related to examinations of tax matters for which Mallinckrodt may be liable but Mallinckrodt will not otherwise be permitted to control or participate in the settlement or defense of such examinations.

The resolution of the matters arising during periods in which certain of Mallinckrodt s subsidiaries and operations were subsidiaries and operations of Tyco International will be subject to the provisions of the tax matters agreement and the Tyco Tax Sharing Agreement. Under the Tyco Tax Sharing Agreement, Covidien, Tyco International and TE Connectivity Ltd. are responsible for 42%, 27% and 31%, respectively, of U.S. income tax liabilities prior to the 2007 separation of Covidien, Tyco International and TE Connectivity Ltd. Mallinckrodt is not a party to the Tyco Tax Sharing Agreement. Under the tax matters agreement Mallinckrodt will, however, be liable for certain taxes relating to Mallinckrodt s subsidiaries and operations arising during periods governed by the Tyco Tax Sharing Agreement. Although Mallinckrodt will be liable to Covidien for certain taxes arising during periods governed by the Tyco Tax

Sharing Agreement, Mallinckrodt will not be

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liable to Tyco International or TE Connectivity Ltd. under the Tyco Tax Sharing Agreement, nor will Mallinckrodt share in the receivable that Covidien has from Tyco International or TE Connectivity Ltd. In addition, Covidien will retain all reimbursements from Tyco International or TE Connectivity Ltd. pursuant to the Tyco Tax Sharing Agreement, including reimbursements for taxes that are borne by Mallinckrodt pursuant to the tax matters agreement.

Under the Tyco Tax Sharing Agreement, Tyco International has the right to administer, control and settle all U.S. income tax audits for periods prior to the separation from Tyco International. In connection with such examinations, tax authorities, including the IRS, have proposed tax adjustments. Tyco International has appealed certain of the proposed tax adjustments and all but one of the matters associated with the proposed tax adjustments has been resolved. With respect to the remaining unresolved matter, Tyco International is contesting the adjustments through litigation. While Mallinckrodt believes that the amounts recorded as income taxes payable related to these adjustments are adequate, the timing and outcome of such litigation is highly uncertain and could have a material adverse effect on Mallinckrodt s competitive position, business, financial condition, results of operations and cash flows. Under the tax matters agreement, Covidien has agreed to provide to Mallinckrodt information it receives from Tyco International related to examinations of tax matters for which Mallinckrodt may be liable that are governed by the Tyco Tax Sharing Agreement.

Examination and audits by tax authorities, including the IRS, could result in additional tax payments.

Mallinckrodt provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions. It is Covidien s intention to vigorously defend Mallinckrodt s prior tax returns. However, the calculation of Mallinckrodt s tax liabilities involves the application of complex tax regulations to Mallinckrodt s global operations in many jurisdictions. Therefore, any dispute with a tax authority may result in a payment that is materially different from Mallinckrodt s current estimate of the tax liabilities associated with these returns. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the reserves generally would result in tax benefits being recognized in the period when Mallinckrodt determines the reserves are no longer necessary. If Mallinckrodt s estimate of tax liabilities proves to be less than the amount for which it is ultimately liable, Mallinckrodt would incur additional charges to expense and such charges could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

Risks Related to Mallinckrodt s Jurisdiction of Incorporation

Legislative action in the U.S. could materially adversely affect Mallinckrodt.

Legislative action may be taken by the U.S. Congress which, if ultimately enacted, could limit the availability of tax benefits or deductions that Mallinckrodt currently claims, override tax treaties upon which Mallinckrodt relies, or otherwise affect the taxes that the U.S. imposes on Mallinckrodt s worldwide operations. Such changes could materially adversely affect Mallinckrodt s effective tax rate and/or require Mallinckrodt to take further action, at potentially significant expense, to seek to preserve Mallinckrodt s effective tax rate. In addition, if proposals were enacted that had the effect of limiting Mallinckrodt s ability as an Irish company to take advantage of tax treaties with the U.S., Mallinckrodt could incur additional tax expense and/or otherwise incur business detriment.

Mallinckrodt may not be able to maintain a competitive worldwide effective corporate tax rate.

Mallinckrodt cannot give any assurance as to what its effective tax rate will be in the future, because of, among other things, uncertainty regarding the tax policies of the jurisdictions where Mallinckrodt operates. Mallinckrodt s actual effective tax rate may vary from Mallinckrodt s expectation and that variance may be material. Additionally, the tax laws of Ireland and other jurisdictions could change in the future, and such changes could cause a material change in

Mallinckrodt s effective tax rate.

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The laws of Ireland differ from the laws in effect in the United States and may afford less protection to holders of Mallinckrodt s securities.

It may not be possible to enforce court judgments obtained in the United States against Mallinckrodt in Ireland, based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against Mallinckrodt or Mallinckrodt s directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against Mallinckrodt or those persons based on those laws. Mallinckrodt has been advised that the United States currently does not have a treaty with either Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

A judgment obtained against Mallinckrodt will be enforced by the courts of Ireland if the following general requirements are met: (i) U.S. courts must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule) and (ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where however the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that in the meantime the judgment may not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive. However, Irish courts may refuse to enforce a judgment of the U.S. courts which meets the above requirements for one of the following reasons: (i) if the judgment is not for a definite sum of money; (ii) if the judgment was obtained by fraud; (iii) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice; (iv) the judgment is contrary to Irish public policy or involves certain U.S. laws which will not be enforced in Ireland; or (v) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service Ireland or outside Ireland under Order 11 of the Ireland Superior Courts Rules.

As an Irish company, Mallinckrodt is governed by the Irish Companies Acts 1963-2013 (the Companies Acts), which differ in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of Mallinckrodt securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the United States.

Irish law imposes restrictions on certain aspects of capital management.

Irish law allows Mallinckrodt s shareholders to pre-authorize shares to be issued by its board of directors without further shareholder approval for up to a maximum of five years. The authorization contained in Mallinckrodt s articles of association will therefore lapse approximately five years from their adoption (which adoption occurred on June 12, 2013) unless renewed by shareholders and Mallinckrodt cannot guarantee that such renewal will always be approved. Additionally, subject to specified exceptions, including the opt-out included in Mallinckrodt s articles of association, Irish law grants statutory preemptive rights to existing shareholders to subscribe for new issuances of shares for cash. This opt-out also expires at approximately the same time as the pre-authorization of the issuance of shares referred to above unless renewed by further shareholder approval and Mallinckrodt cannot guarantee that such renewal of the opt-out from preemptive rights will always be approved. Mallinckrodt cannot assure you that these Irish legal

restrictions will not interfere with Mallinckrodt s capital management.

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Risks Related to Mallinckrodt Ordinary Shares

Mallinckrodt s share price may fluctuate significantly.

The market price of Mallinckrodt s ordinary shares may fluctuate significantly due to a number of factors, some of which may be beyond Mallinckrodt s control, including:

- actual or anticipated fluctuations in Mallinckrodt s results of operations;
- changes in earnings estimated by securities analysts or Mallinckrodt s ability to meet those estimates;
- the operating and share price performance of comparable companies;
- actual or anticipated sales of Mallinckrodt s ordinary shares;
- changes to the regulatory and legal environment in which Mallinckrodt operates; and
- U.S. and worldwide economic conditions.

In addition, when the market price of a company s ordinary shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against Mallinckrodt could cause it to incur substantial costs and could divert the time and attention of Mallinckrodt s management and other resources.

Furthermore, Mallinckrodt cannot guarantee that an active trading market for Mallinckrodt s ordinary shares will continue to exist.

A number of Mallinckrodt s ordinary shares are eligible for future sale, which may cause Mallinckrodt s share price to decline.

Mallinckrodt had approximately 58.6 million of its ordinary shares outstanding as of July 9, 2014. These shares are tradable without restriction or further registration under the U.S. Securities Act of 1933, as amended (the Securities Act), unless the shares are owned by one of Mallinckrodt s affiliates, as that term is defined in Rule 405 under the Securities Act. Any sales of substantial amounts of Mallinckrodt s ordinary shares in the public market, or the perception that such sales might occur, may cause the market price of Mallinckrodt s ordinary shares to decline. Those sales also might make it more difficult for Mallinckrodt to sell equity and equity-related securities in the future at a time and at a price that Mallinckrodt considers appropriate.

Your percentage of ownership in Mallinckrodt may be diluted.

Your percentage ownership in Mallinckrodt may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards granted to Mallinckrodt s directors, officers and employees. Such issuances may have a dilutive effect on Mallinckrodt s earnings per share, which could materially adversely

affect the market price of Mallinckrodt s ordinary shares. In addition, Mallinckrodt s articles of association entitle the Mallinckrodt board of directors, without further shareholder approval, to cause Mallinckrodt to issue preferred shares with such terms as the board of directors may determine. Preferred shares may be preferred as to dividends, rights on a winding up, voting or have other special rights in such manner as the Mallinckrodt board of directors may resolve. The preferred shares may also be redeemable at the option of the holder of the preferred shares or at the option of Mallinckrodt, and may be convertible into or exchangeable for shares of any other class or classes of Mallinckrodt s shares, depending on the terms of such preferred shares. The terms of one or more classes or series of preferred shares could dilute the voting power or reduce the value of Mallinckrodt s ordinary shares. For example, Mallinckrodt could grant the holders of preferred shares the right to elect some number of Mallinckrodt s directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences Mallinckrodt could assign to holders of preferred shares could affect the residual value of Mallinckrodt s ordinary shares.

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Certain provisions in Mallinckrodt s articles of association, among other things, could prevent or delay an acquisition of Mallinckrodt, which could decrease the trading price of Mallinckrodt s ordinary shares.

Mallinckrodt s articles of association contain provisions that could have the effect of deterring coercive takeover practices, inadequate takeover bids and unsolicited offers. These provisions include, among others:

- provisions of Mallinckrodt s articles of association which allow the Mallinckrodt board of directors to adopt a shareholder rights plan (commonly known as a poison pill) upon such terms and conditions as the board of directors deems expedient and in the best interests of Mallinckrodt s company;
- a provision of Mallinckrodt s articles of association which generally prohibits Mallinckrodt from engaging in a business combination with an interested shareholder for a period of three years following the date the person became an interested shareholder, subject to certain exceptions;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of the Mallinckrodt board of directors to issue preferred shares without further shareholder approval in certain circumstances, subject to applicable law; and
- the ability of the Mallinckrodt board of directors to fill vacancies on the Mallinckrodt board of directors in certain circumstances.

Mallinckrodt believes these provisions will provide some protection to Mallinckrodt s shareholders from coercive or otherwise unfair takeover tactics. These provisions are not intended to make Mallinckrodt immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that the Mallinckrodt board of directors determines is in the best interests of Mallinckrodt s company and its shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

In addition, several mandatory provisions of Irish law could prevent or delay an acquisition of Mallinckrodt. For example, Irish law does not permit shareholders of an Irish public limited company to take action by written consent with less than unanimous consent. Mallinckrodt also will be subject to various provisions of Irish law relating to mandatory bids, voluntary bids, requirements to make a cash offer and minimum price requirements, as well as substantial acquisition rules and rules requiring the disclosure of interests in Mallinckrodt s ordinary shares in certain circumstances. Also, Irish companies, including Mallinckrodt, may only alter their memorandum of association and articles of association with the approval of the holders of at least 75% of the company s shares present and voting in person or by proxy at a general meeting of the company.

The agreements that Mallinckrodt entered into with Covidien in connection with the separation generally required Covidien s consent to any assignment by Mallinckrodt of Mallinckrodt s rights and obligations under the agreements. The consent and termination rights set forth in these agreements might discourage, delay or prevent a change of control that shareholders may consider favorable.

Moreover, an acquisition or issuance of Mallinckrodt s ordinary shares could trigger the application of Section 355(e) of the Code, even if the distribution of Mallinckrodt by Covidien and certain related transactions undertaken in connection therewith otherwise qualified for tax-free treatment. Under Section 355(e), Mallinckrodt or Covidien could incur tax upon certain transactions undertaken in anticipation of the distribution if 50% or more, by vote or value, of Mallinckrodt s ordinary shares or Covidien ordinary shares are acquired or issued as part of a plan or series of related transactions that include the separation of Mallinckrodt from Covidien. The process for determining whether an acquisition or issuance triggering these provisions has occurred is complex, inherently factual and subject to interpretation. Any acquisitions or issuances of Mallinckrodt s ordinary shares or Covidien ordinary shares within two years after the distribution are presumed to be part of such a plan, although Mallinckrodt or Covidien, as applicable, may be able to rebut that presumption. Moreover, under the tax matters agreement that Mallinckrodt entered into with Covidien,

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Mallinckrodt is restricted from engaging in certain transactions within two years of the distribution which potentially could trigger application of Section 355(e). During this period, these restrictions may limit the ability that we, or a potential acquirer of Mallinckrodt, have to pursue certain strategic transactions that might increase the value of Mallinckrodt s ordinary shares. In connection with the Merger, Mallinckrodt delivered to Covidien an opinion of its outside counsel to the effect that, based on certain representations made by Mallinckrodt and subject to the limitations and qualifications set forth in such opinion, the Merger will not affect the tax-free status of the distribution and certain related transactions for U.S. federal income tax purposes. Covidien accepted such opinion as satisfying the requirements of the tax matters agreement with respect to the Merger. Notwithstanding such opinion and acceptance by Covidien, pursuant to the tax matters agreement, Mallinckrodt has agreed to indemnify Covidien and its affiliates against any and all tax-related liabilities incurred by them relating to the distribution and certain related transactions to the extent caused by Mallinckrodt s actions. Mallinckrodt does not believe that it is likely that an indemnity obligation to Covidien will be triggered by the Merger; however, in the unlikely event that it is triggered, the resulting liability may be material to Mallinckrodt.

Risks Related to Questcor s Business

You should read and consider risk factors specific to Questcor s business that will also affect the combined company after the Merger. These risks are described in Part I, Item 1A of Questcor s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as revised by Questcor s Current Report on Form 8-K filed with the SEC on July 10, 2014; Part II, Item 1A of Questcor s Quarterly Report on Form 10-Q for the period ending March 31, 2014; and in other documents that are incorporated by reference into this document. See *Where You Can Find More Information* beginning on page 377 of this joint proxy statement/prospectus for the location of information incorporated by reference in this joint proxy statement/prospectus.

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SELECTED HISTORICAL FINANCIAL DATA OF MALLINCKRODT

The following table sets forth selected financial data of Mallinckrodt as of and for the six months ended March 28, 2014 and March 29, 2013 and the fiscal years ended September 27, 2013, September 28, 2012, September 30, 2011, September 24, 2010 and September 25, 2009. This selected financial data reflect the consolidated position of Mallinckrodt and its consolidated subsidiaries as an independent, publicly-traded company for periods on or after its legal separation from Covidien plc on June 28, 2013. Selected financial data for periods prior to June 28, 2013 reflect the combined historical business and operations of Covidien s pharmaceuticals business as it was historically managed as part of Covidien.

The condensed consolidated and combined income statement data for the six months ended March 28, 2014 and March 29, 2013 and the condensed consolidated balance sheet data at March 28, 2014 have been derived from Mallinckrodt s unaudited condensed consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus. The consolidated and combined statement of income data for fiscal 2013, the combined statement of income data for fiscal 2012 and 2011, the consolidated balance sheet data as of September 27, 2013 and the combined balance sheet data as of September 28, 2012 were derived from Mallinckrodt s consolidated and combined financial statements and accompanying notes included elsewhere in this joint proxy statement/prospectus. The combined statement of income data for fiscal 2010 and the combined balance sheet data as of September 30, 2011 were derived from Mallinckrodt s audited combined financial statements that are not included in this joint proxy statement/prospectus. The combined statement of income data for fiscal 2009 and the combined balance sheet data as of March 29, 2013, September 24, 2010 and September 25, 2009 were derived from Mallinckrodt s unaudited combined financial statements that are not included in this joint proxy statement/prospectus. This selected financial information should be read in conjunction with *Mallinckrodt Management s Discussion and Analysis of Financial Condition and Results of Operations* and Mallinckrodt s consolidated and combined financial statements and accompanying notes included elsewhere in this joint proxy statement/prospectus. Mallinckrodt s historical results for periods prior to June 28, 2013 are not necessarily indicative of the results of operations or financial condition that would have been obtained had Mallinckrodt operated as an independent, publicly-traded company for the entirety of the periods presented, nor are they necessarily indicative of Mallinckrodt s future performance as an independent, publicly-traded company.

	Six Months Ended March 28, March 29,		Fiscal Year[1]				
(in millions, except per share data)	**2014**	**2013**	**2013**	**2012**	**2011**	**2010**	**2009**
Consolidated and Combined Statement of Income Data:							
Net sales[2]	$ 1,098.0	$ 1,089.3	$ 2,204.5	$ 2,056.2	$ 2,021.8	$ 2,047.6	$ 2,429.5
Gross profit	518.2	507.0	1,024.9	964.8	914.9	932.4	1,296.3
Research and development expenses[3]	80.4	77.6	165.7	144.1	141.5	119.1	155.2
Operating income[4][5]	76.8	90.3	144.8	235.2	240.7	240.4	508.5
Income from continuing operations before income taxes	54.4	90.4	126.4	236.1	243.2	243.2	512.0
Income from continuing operations	58.1	54.3	57.8	141.3	157.0	145.9	315.5
Share Data:[6]							
Basic income from continuing operations per share	$ 1.00	$ 0.94	$ 1.00	$ 2.45	$ 2.72	$ 2.53	$ 5.47

Diluted income from continuing operations per share	0.99	0.94	1.00	2.45	2.72	2.53	5.47
Cash dividends per ordinary share							

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	March 28, 2014	March 29, 2013	September 27, 2013	September 28, 2012	September 30, 2011	September 24, 2010	September 25, 2009
Consolidated and Combined Balance Sheet Data:							
Total assets	$ 5,455.3	$ 3,118.0	$ 3,556.6	$ 2,898.9	$ 2,832.2	$ 2,892.6	$ 3,167.4
Long-term debt	2,204.7	2.3	918.3	8.9	10.4	11.6	13.6
Shareholders equity	1,338.4	2,139.4	1,255.6	1,891.9	1,788.7	1,835.9	2,016.4

(1) Fiscal 2011 included 53 weeks. All other fiscal years presented include 52 weeks.

(2) Fiscal 2009 includes $354.5 million of sales of oxycodone hydrocodone extended-release tablets, which were sold under a license agreement that began in the fourth quarter of fiscal 2008 and ended in the second quarter of fiscal 2009.

(3) Fiscal 2013 includes a $5.0 million charge related to milestone payments related to the acceptance of Mallinckrodt s Xartemis XR NDA for filing with the FDA. Fiscal 2009 includes a $35.3 million charge related to upfront fees and milestone payments related to a product acquisition and licensing agreements.

(4) Fiscal 2013 and 2012 include costs related to the build-out of Mallinckrodt s corporate infrastructure of $70.6 million and $10.7 million, respectively. The six months ended March 28, 2014 and March 29, 2013 include separation related costs of $4.8 million and $26.4 million, respectively. Fiscal 2013, 2012 and 2011 include separation related costs of $74.2 million, $25.5 million and $2.9 million, respectively. The six months ended March 28, 2014 and March 29, 2013 include restructuring and related charges, net of $29.7 million and $6.6 million, respectively. Fiscal 2013, 2012, 2011, 2010 and 2009 include restructuring charges, net, of $33.2 million, $11.2 million, $8.4 million, $11.5 million and $26.7 million, respectively. Fiscal 2010 and 2009 include product liability charges of $31.3 million and $27.8 million, respectively. The six months ended March 28, 2014 includes a $23.1 million charge for environmental matters at a site located in New Jersey. Fiscal 2009 also includes a $71.2 million charge for the estimated additional cost to remediate environmental matters at a site located in Orrington, Maine, the liability for which was retained by Covidien pursuant to the separation and distribution agreement. The six months ended March 28, 2014 includes $18.5 million of transaction costs related to the Cadence acquisition and Questcor transaction.

(5) Fiscal 2013, 2012, 2011, 2010 and 2009 include expense allocations from Covidien of $39.6 million, $49.2 million, $56.3 million, $60.8 million and $60.6 million, respectively, which relate to finance, legal, information technology, human resources, communications, employee benefits and incentives, insurance and share-based compensation. The six months ended March 29, 2013 include expense allocations from Covidien of $25.5 million. Effective with the legal separation from Covidien on June 28, 2013, Mallinckrodt has assumed responsibility for all of these functions and related costs and anticipate Mallinckrodt s costs as an independent, publicly-traded company will be higher than those allocated to Mallinckrodt from Covidien.

(6) The computation of basic and diluted earnings per share assumes that the number of shares outstanding for periods prior to June 28, 2013 was equal to the number of ordinary shares of Mallinckrodt outstanding on June 28, 2013, immediately following the distribution of one Mallinckrodt ordinary share for every eight ordinary shares of Covidien.

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SELECTED HISTORICAL FINANCIAL DATA OF QUESTCOR

The following selected historical consolidated financial data is derived from Questcor s audited consolidated financial statements for each of the years ended December 31, 2013, 2012, 2011, 2010 and 2009 and from Questcor s unaudited condensed consolidated financial statements for the three months ended March 31, 2014 and 2013. The information set forth below is only a summary that you should read together with the historical audited consolidated financial statements of Questcor and the related notes, as well as the section titled Management s Discussion and Analysis of Financial Condition and Results of Operations contained in Questcor s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 that Questcor previously filed with the SEC and that is incorporated by reference into this joint proxy statement/prospectus. Historical results are not necessarily indicative of any results to be expected in the future. For more information, see the section entitled *Where You Can Find More Information* beginning on page 377 of this joint proxy statement/prospectus.

(In thousands, except per share amounts)	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Years Ended December 31, 2013	2012	2011	2010	2009
***Operating Highlights*:**							
Net sales	$ 227,104	$ 135,129	$ 798,929	$ 509,292	$ 218,169	$ 115,131	$ 88,320
Operating (loss)/income	$ 113,020	$ 57,844	$ 439,838	$ 296,527	$ 113,118	$ 53,840	$ 41,220
Net (loss)/income attributable to common shareholders	$ 74,310	$ 39,064	$ 292,609	$ 197,675	$ 79,591	$ 35,071	$ 26,629
Basic (loss)/earnings per share	$ 1.26	$ 0.68	$ 4.99	$ 3.28	$ 1.27	$ 0.56	$ 0.41
Diluted (loss)/earnings per share	$ 1.20	$ 0.65	$ 4.76	$ 3.14	$ 1.21	$ 0.54	$ 0.40
Weighted average shares outstanding:							
Basic	59,141	57,857	58,616	60,243	62,498	62,112	64,196
Diluted	61,822	60,271	61,447	63,045	66,010	64,741	66,257

	At March 31, 2014	At March 31, 2013	At December 31, 2013	2012	2011	2010	2009
***Balance Sheet Highlights*:**							
Current assets	$ 494,480	$ 241,437	$ 396,776	$ 237,276	$ 265,600	$ 143,499	$ 103,260
Working capital, excluding assets and liabilities held for sale	$ 306,436	$ 147,142	$ 235,604	$ 146,877	$ 209,879	$ 111,988	$ 71,049
Total assets	$ 828,396	$ 345,753	$ 736,354	$ 252,431	$ 275,808	$ 151,993	$ 111,440
Total debt	$ 359,599	$ 150,051	$ 336,990	$ 90,602	$ 55,982	$ 31,866	$ 33,437
Total equity	$ 468,797	$ 195,702	$ 399,364	$ 161,829	$ 219,826	$ 120,127	$ 78,003

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SELECTED UNAUDITED PRO FORMA FINANCIAL DATA

The following selected unaudited pro forma combined financial data (selected pro forma data) gives effect to: (i) the acquisition of Questcor by Mallinckrodt, (ii) the acquisition of Cadence by Mallinckrodt, (iii) the separation of Mallinckrodt from Covidien, (iv) the related financings and (v) the related tax effects. The selected pro forma data have been prepared using the acquisition method of accounting under U.S. generally accepted accounting principles for the acquisitions of Questcor and Cadence, under which the assets and liabilities have been or will be recorded by Mallinckrodt at their respective fair values as of the closing date for each acquisition. The selected unaudited pro forma combined balance sheet data as of March 28, 2014 give effect to the Questcor acquisition as if it had occurred on March 28, 2014, while the Cadence balance sheet is included within the Mallinckrodt balance sheet as of March 28, 2014. The selected unaudited pro forma combined statement of operations data for the fiscal year ended September 27, 2013 and six months ended March 28, 2014 give effect to the acquisitions and the separation as if they had occurred on September 29, 2012.

The selected pro forma data have been derived from, and should be read in conjunction with, the more detailed unaudited pro forma combined financial information of the combined company included elsewhere in this joint proxy statement/prospectus and the accompanying notes to the unaudited pro forma combined financial statements. In addition, the unaudited pro forma combined financial statements were based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of each of Mallinckrodt, Questcor, and Cadence for the applicable periods, which have been included in or incorporated into this joint proxy statement/prospectus by reference. See *Where You Can Find More Information* and *Unaudited Pro Forma Combined Financial Information*, of this joint proxy statement/prospectus for additional information. The selected pro forma data have been presented for informational purposes only and are not necessarily indicative of what the combined company s financial position or results of operations actually would have been had the acquisitions and the separation been completed as of the dates indicated. In addition, the selected pro forma data do not purport to project the future financial position or operating results of the combined company. Also, as explained in more detail in the accompanying notes to the unaudited pro forma combined financial statements , the preliminary fair values of assets acquired and liabilities assumed reflected in the selected pro forma data are subject to adjustment and may vary materially from the fair values that will be recorded upon completion of the Questcor acquisition.

Selected Unaudited Pro Forma Combined Statement of Operations Data

(in millions except for per share data)	For the fiscal year ended September 27, 2013 (Unaudited Pro Forma Combined)
Net Revenues	$ 3,015.5
Income from continuing operations	$ 61.5
Earnings per share basic	$ 0.53
Earnings per share diluted	$ 0.53
Weighted-average number of shares outstanding basic	116.9
Weighted-average number of shares outstanding diluted	117.0

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(in millions except for per share data)	For the six months ended March 28, 2014 (Unaudited Pro Forma Combined)
Net Revenues	$ 1,633.7
Income from continuing operations	$ 61.3
Earnings per share basic	$ 0.52
Earnings per share diluted	$ 0.52
Weighted-average number of shares outstanding basic	117.2
Weighted-average number of shares outstanding diluted	117.9

Selected Unaudited Pro Forma Combined Balance Sheet Data

(in millions)	As of March 28, 2014 (Unaudited Pro Forma Combined)
Total assets	$ 14,027.2
Long-term debt and capital leases, including current portion	$ 4,027.7
Total equity	$ 5,853.6

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COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE FINANCIAL DATA

The following tables set forth certain historical, pro forma and pro forma equivalent per share financial information for Mallinckrodt ordinary shares and Questcor common stock. The unaudited pro forma and pro forma equivalent per share financial information gives effect to (i) the pending acquisition of Questcor by Mallinckrodt as if the transaction had occurred on March 28, 2014 for book value per share data and as of September 29, 2012 for net (loss) / income per share data, (ii) the acquisition of Cadence by Mallinckrodt as of September 29, 2012 for net (loss) / income per share data, (iii) the separation of Mallinckrodt from Covidien as of September 29, 2012 for net (loss) / income per share data, (iv) the related financings to fund the separation and the Questcor and Cadence acquisitions and (v) the related tax effects from the aforementioned transactions.

The pro forma per share balance sheet information combines Mallinckrodt s March 28, 2014 unaudited condensed consolidated balance sheet with Questcor s March 31, 2014 unaudited condensed consolidated balance sheet, which approximates the March 28, 2014 balance sheet of Questcor.

The pro forma per share income statement information for the year ended September 27, 2013 combines: (i) the historical consolidated and combined statement of income of Mallinckrodt for the fiscal year ended September 27, 2013, (ii) the historical statement of operations of Cadence for the twelve months ended September 30, 2013, which was derived by subtracting the condensed statement of operations for the nine months ended September 30, 2012 from the statement of operations for the fiscal year ended December 31, 2012, and adding the condensed statement of operations for the nine months ended September 30, 2013 and (iii) the historical consolidated statement of income of Questcor for the twelve months ended September 30, 2013, which was derived by subtracting the consolidated condensed statement of income for the nine months ended September 30, 2012 from the consolidated statement of income for the fiscal year ended December 31, 2012, and adding the consolidated condensed statement of income for the nine months ended September 30, 2013.

The pro forma per share income statement information for the six months ended March 28, 2014 combines: (i) the historical condensed consolidated statement of income of Mallinckrodt for the six months ended March 28, 2014, (ii) the historical condensed statement of operations of Cadence for the three months ended December 31, 2013, which was derived by subtracting the condensed statement of operations for the nine months ended September 30, 2013 from the statement of operations for the fiscal year ended December 31, 2013, (iii) the unaudited financial information of Cadence for the period January 1, 2014 to March 18, 2014, (iv) the historical consolidated condensed statement of income of Questcor for the three months ended December 31, 2013, which was derived by subtracting the consolidated condensed statement of income for the nine months ended September 30, 2013 from the consolidated statement of income for the fiscal year ended December 31, 2013 and (v) the historical consolidated condensed statement of income of Questcor for the three months ended March 31, 2014.

The Questcor pro forma equivalent data per ordinary share financial information is calculated by multiplying the combined unaudited pro forma data per ordinary share amounts by the exchange ratio of 0.897 per Questcor common share.

The following information should be read in conjunction with the audited financial statements of Mallinckrodt and Cadence which are included elsewhere in this joint proxy statement/prospectus, the audited financial statements of Questcor, which are incorporated by reference in this joint proxy statement/prospectus, and the financial information contained in the *Unaudited Pro Forma Combined Financial Information* and *Selected Historical Financial Data of Mallinckrodt* sections of this joint proxy statement/prospectus, beginning on pages 184 and 65, respectively, of this joint proxy statement/prospectus. The unaudited pro forma information below is presented for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the

transaction had been completed as of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. In

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addition, the unaudited pro forma information does not purport to indicate balance sheet data or results of operations data as of any future date or for any future period.

Mallinckrodt Historical Data per Ordinary Share	As of and for the six months ended March 28, 2014	As of and for the year ended September 27, 2013
Income (loss) from continuing operations		
Basic	$ 1.00	$ 1.00
Diluted	0.99	1.00
Cash dividends declared per ordinary share		
Book value per ordinary share	$ 22.92	$ 21.76

Questcor Historical Data per Common Share	As of and for the three months ended March 31, 2013	As of and for the year ended December 31, 2013	As of and for the three months ended March 31, 2014
Loss / earnings per share attributable to common shareholders			
Basic	$ 0.68	$ 4.99	$ 1.26
Diluted	$ 0.65	$ 4.76	$ 1.20
Cash dividends declared per common share	$ 0.25	$ 1.10	$ 0.30
Book value per common share	$ 3.29	$ 6.64	$ 7.69

Mallinckrodt Combined Unaudited Pro Forma Data per Ordinary Share	As of and for the six months ended March 28, 2014	As of and for the year ended September 27, 2013
Income (loss) from continuing operations		
Basic	$ 0.52	$ 0.53
Diluted	0.52	0.53
Cash dividends declared per ordinary share		
Book value per ordinary share (1)	$ 49.95	

(1) Number of shares used for pro forma book value per ordinary share was 117.2 million.

Unaudited Pro Forma Equivalent Data per Common Share for the Questcor Portion of Shares	As of and for the six months ended March 28, 2014	As of and for the year ended September 27, 2013
Income (loss) from continuing operations		
Basic	$ 0.47	$ 0.48

Diluted		0.47	0.48
Cash dividends declared per ordinary share			
Book value per ordinary share	$	44.81	

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CERTAIN OTHER FINANCIAL DATA

The following tables set forth EBITDA and Adjusted EBITDA and other selected financial data of Mallinckrodt, Cadence and Questcor. EBITDA and Adjusted EBITDA are non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used herein may not be comparable to similarly titled amounts used by other companies or persons. Mallinckrodt, Cadence and Questcor calculate certain non-GAAP financial metrics, including Adjusted EBITDA, using different methodologies. Consequently, these financial metrics as used by Mallinckrodt, Cadence and Questcor may not be directly comparable to one another or with how each company has calculated similarly titled metrics in the past.

Mallinckrodt management believes that presenting these measures may provide useful information about Mallinckrodt s, Cadence s and Questcor s performance by excluding items that are not indicative of their respective core operating performances. However, these measures do not reflect actual cash expenditures and are not comparable to non-GAAP measures used by other companies.

The data provided below should be read in conjunction with *Mallinckrodt Management s Discussion and Analysis of Financial Condition and Results of Operations* beginning on page 200 of this joint proxy statement/prospectus and Questcor s Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated into this joint proxy statement/prospectus by reference to Questcor s Current Report on Form 8-K filed with the SEC on July 10, 2014. In addition, the data provided below were based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of each of Mallinckrodt, Questcor, and Cadence for the applicable periods, which have been included in or incorporated into this joint proxy statement/prospectus by reference. See *Where You Can Find More Information* for additional information.

For an explanation of the adjustments made to and a reconciliation from net income (as reported) to EBITDA and Adjusted EBITDA for each of Mallinckrodt, Cadence and Questcor, please see the footnotes to the tables below.

The following table sets forth EBITDA and Adjusted EBITDA, and the reconciliations to net income, for each of (i) Mallinckrodt for the twelve months ended March 28, 2014 (Mallinckrodt LTM); (ii) Cadence for the period beginning on April 1, 2013 and ending on March 18, 2014, the last day prior to the acquisition of Cadence by Mallinckrodt (Cadence LTM); (iii) Questcor for the twelve months ended March 31, 2014 (Questcor LTM). A total column combining (i), (ii) and (iii) is also presented.

The combined financial data presented below is not pro forma data and does not give effect to any adjustments as a result of (i) the pending acquisition of Questcor by Mallinckrodt, (ii) the acquisition of Cadence by Mallinckrodt, (iii) the separation of Mallinckrodt from Covidien, (iv) the related financings to fund the transactions and (v) the related tax effects from the transactions. As a result, the combined financial data presented below is not comparable to the pro forma data set forth under *Unaudited Pro Forma Combined Financial Information*.

Mallinckrodt LTM has been derived by adding the relevant line item from Mallinckrodt s consolidated and combined statement of income for the fiscal year ended September 27, 2013 to the same item from Mallinckrodt s unaudited condensed consolidated and combined statement of income for the six months ended March 28, 2014 and subtracting the same item from Mallinckrodt s condensed consolidated and combined statement of income for the six months ended March 29, 2013, each of which is included elsewhere in this joint proxy statement/prospectus.

Cadence LTM has been derived by adding the relevant line item from Cadence s statement of operations for the year ended December 31, 2013 to the same item from Cadence s unaudited statement of operations for the

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period January 1, 2014 to March 18, 2014 and subtracting the same item from Cadence s statement of operations for the three months ended March 31, 2013, each of which is included elsewhere in this joint proxy statement/prospectus.

Questcor LTM has been derived by adding the relevant line item from Questcor s consolidated statement of income for the year ended December 31, 2013 to the same item from Questcor s unaudited condensed consolidated statement of income for the three months ended March 31, 2014 and subtracting the same item from Questcor s condensed consolidated statement of income for the three months ended March 31, 2013, each of which is incorporated by reference into this joint proxy statement/prospectus.

	Twelve Months Ended March 28, 2014 Mallinckrodt	April 1, 2013 to March 18, 2014 Cadence	Twelve Months Ended March 31, 2014 Questcor	Combined
Net income	$ 62.8	$ (53.8)	$ 327.8	$ 336.8
Income tax expense	28.8		167.0	195.8
Interest expense, net	40.5	4.5		45.0
Depreciation and amortization	149.3	1.5	17.0	167.8
EBITDA[(a)(b)(c)]	**$ 281.4**	**$ (47.8)**	**$ 511.8**	**$ 745.4**
(Gain) loss from discontinued operations, net of taxes	(1.2)			(1.2)
Other expense (income), net	0.4		(0.6)	(0.2)
Restructuring charges, net	56.3			56.3
Separation costs	52.6			52.6
Upfront and milestone payments	5.0			5.0
Inventory step-up expenses	1.1			1.1
Acquisition-related expenses	18.5	29.1		47.6
Gain on intellectual property license	(11.7)			(11.7)
Significant environmental charge	23.1			23.1
Contingent consideration fair value adjustment			13.0	13.0
Share-based compensation	14.6	6.6	31.4	52.6
Adjusted EBITDA[(a)(b)(c)]	**$ 440.1**	**$ (12.1)**	**$ 555.6**	**$ 983.6**

(a) Certain Other Financial Data of Mallinckrodt

	Twelve Months Ended	Six Months Ended		Fiscal Year[(i)]		
(in millions)	**March 28, 2014**	**March 28, 2014**	**March 29, 2013**	**2013**	**2012**	**2011**

EBITDA[(ii)]	$ 281.4	$ 151.6	$ 156.3	$ 286.1	$ 360.4	$ 357.1
Adjusted EBITDA[(ii)]	440.1	227.0	196.8	409.9	413.5	382.1
Total capital expenditures	121.9	50.7	76.7	147.9	144.2	120.4

(i) Fiscal 2011 included 53 weeks. All other fiscal years presented include 52 weeks.

(ii) EBITDA is defined as net income excluding income tax expense, interest and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude certain items. These items, if applicable, include: discontinued operations; other income, net; separation costs; restructuring charges, net; immediately expensed up-front and milestone payments; acquisition-related costs; share-based compensation; fair value adjustments to contingent consideration; certain environmental charges; noncash impairment charges; and certain other nonrecurring items.

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The following table provides a reconciliation from Mallinckrodt plc s net income (as reported) to EBITDA and Adjusted EBITDA:

(in millions)	Twelve Months Ended March 28, 2014	Six Months Ended March 28, 2014	Six Months Ended March 29, 2013	Fiscal Year[1] 2013	Fiscal Year[1] 2012	Fiscal Year[1] 2011
Net income	$ 62.8	$ 57.2	$ 53.2	$ 58.8	$ 134.6	$ 150.7
Income tax expense	28.8	(3.7)	36.1	68.6	94.8	86.2
Interest expense, net	40.5	21.4	0.1	19.2	0.1	0.4
Depreciation and amortization	149.3	76.7	66.9	139.5	130.9	119.8
EBITDA	**$ 281.4**	**$ 151.6**	**$ 156.3**	**$ 286.1**	**$ 360.4**	**$ 357.1**
(Gain) loss from discontinued operations, net of taxes[1]	(1.2)	0.9	1.1	(1.0)	6.7	6.3
Other expense (income), net[2]	0.4	1.0	(0.2)	(0.8)	(1.0)	(2.9)
Restructuring charges, net[3]	56.3	29.7	6.6	33.2	11.2	8.4
Separation costs[4]	52.6	4.8	26.4	74.2	25.5	2.9
Upfront and milestone payments[5]	5.0			5.0		
Acquisition-related expenses[6]	18.5	18.5				
Inventory step-up expenses[7]	1.1	1.1				
Gain on intellectual property license[8]	(11.7)	(11.7)				
Share-based compensation[9]	14.6	8.0	6.6	13.2	10.7	10.3
Significant environmental charge[10]	23.1	23.1				
Adjusted EBITDA	**$ 440.1**	**$ 227.0**	**$ 196.8**	**$ 409.9**	**$ 413.5**	**$ 382.1**

(1) Represents gains and losses related to indemnification obligations to the purchaser of Mallinckrodt s Specialty Chemicals business (formerly known as Mallinckrodt Baker), which was sold during fiscal 2010.

(2) Represents miscellaneous items, including gains and losses on intercompany foreign currency financing transactions and related hedging instruments.

(3) Represents expenses incurred under restructuring programs designed to improve Mallinckrodt s cost structure. Mallinckrodt s current restructuring program, which was launched during fiscal 2013, is expected to include total expenses of $100.0 to $125.0 million, most of which are expected to be incurred by the end of fiscal 2016.

(4) Separation costs incurred after Mallinckrodt s June 28, 2013 separation from Covidien include expenses under Mallinckrodt s transition services agreement with Covidien, Mallinckrodt s costs to implement information and accounting systems, share-based compensation costs related to the conversion of Covidien awards into

Mallinckrodt awards, and other transition costs. Mallinckrodt expects that these costs will diminish over time. Separation costs incurred prior to June 28, 2013 primarily related to legal, accounting, tax and other professional fees.

(5) Represents non-capitalizeable upfront or development milestone based payments under certain license arrangements. Milestone payments prior to FDA approval of a product are expensed as part of R&D, while payments upon or after FDA approval are capitalized as an intangible asset and amortized. The fiscal 2013 milestone payment was related to the FDA acceptance of Mallinckrodt s NDA submission associated with Xartemis XR.

(6) Primarily related to transaction costs associated with potential mergers and acquisitions activity. The amounts incurred during fiscal 2014 are primarily associated with Mallinckrodt s acquisition of Cadence and the Questcor acquisition.

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(7) Represents incremental expense associated with the sale of inventory that was recorded at fair value upon the acquisition of Cadence. The incremental expense represents the difference between fair value and the manufactured cost of the inventory.

(8) During fiscal 2014 Mallinckrodt recognized a gain from the settlement of patent disputes with a counterparty relating to certain intellectual property rights for which Mallinckrodt had completed the earnings process.

(9) Represents historical share-based compensation, excluding share-based compensation costs related to the conversion of Covidien awards into Mallinckrodt awards.

(10) In April 2014, the EPA issued its revised Focused Feasibility Study (FFS) associated with the lower 8-mile stretch of the Lower Passaic River Study Area. Based on the issuance of the EPA s FFS, Mallinckrodt recorded a $23.1 million accrual representing its estimate of its allocable share of the joint and several remediation liability resulting from this matter.

(b) Certain Other Financial Data of Cadence

				Fiscal Year		
(in millions)	**April 1, 2013 to March 18, 2014**	**January 1, 2014 to March 18, 2014**	**Three Months Ended March 31, 2013**	**2013**	**2012**	**2011**
EBITDA[(i)]	$ (47.8)	$ (29.4)	$ 0.1	$ (18.3)	$ (73.7)	$ (85.5)
Adjusted EBITDA[(i)]	(12.1)	0.9	(5.9)	(18.9)	(57.4)	(76.3)
Total debt	N/A	N/A	29.0	29.3	28.8	28.7

(i) EBITDA is defined as net income excluding income tax expense, interest and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude certain items. These items, if applicable, include: discontinued operations; other income, net; separation costs; restructuring charges, net; immediately expensed up-front and milestone payments; acquisition-related costs; share-based compensation; fair value adjustments to contingent consideration; certain environmental charges; noncash impairment charges; and certain other nonrecurring items.

The following table provides a reconciliation from net income (as reported) to EBITDA and Adjusted EBITDA:

				Fiscal Year		
	April 1, 2013 to March 18, 2014	**January 1, 2014 to March 18, 2014**	**Three Months Ended March 31, 2013**	**2013**	**2012**	**2011**
Net income	$ (53.8)	$ (30.9)	$ (1.4)	$ (24.3)	$ (81.0)	$ (93.0)
Income tax expense						
Interest expense, net	4.5	1.2	1.1	4.4	4.4	4.3
Depreciation and amortization	1.5	0.3	0.4	1.6	2.9	3.2

EBITDA	**$ (47.8)**	**$ (29.4)**	**$ 0.1**	**$ (18.3)**	**$ (73.7)**	**$ (85.5)**
Other expense (income), net[1]			(7.7)	(7.7)		
Acquisition-related expenses[2]	29.1	29.1				
Impairments[3]					7.7	
Share-based compensation[4]	6.6	1.2	1.7	7.1	8.6	9.2
Adjusted EBITDA	**$ (12.1)**	**$ 0.9**	**$ (5.9)**	**$ (18.9)**	**$ (57.4)**	**$ (76.3)**

(1) Primarily represents the gain recognized on the waiver and termination of Cadence s option to purchase Incline Therapeutics, Inc. (Incline) and the sale of Cadence s shares of Incline stock in January 2013.

(2) Primarily related to transaction costs associated with potential mergers and acquisitions activity. The amounts incurred during fiscal 2014 relate to Mallinckrodt s acquisition of Cadence.

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(3) Represents an impairment charge associated with Cadence s manufacturing assets held and used by Baxter for the manufacture of OFIRMEV. In March 2013, Cadence and Baxter mutually agreed to terminate a supply agreement and Cadence transferred manufacturing to another contract manufacturing organization.

(4) Represents historical share-based compensation of Cadence employees.

(c) Certain Other Financial Data of Questcor

(in millions)	Twelve Months Ended March 31, 2014	Three Months Ended March 31 2014	2013	Year Ended December 31 2013	2012	2011
EBITDA[(i)]	$ 511.8	$ 117.8	$ 59.7	$ 453.7	$ 298.5	$ 114.8
Adjusted EBITDA[(i)]	555.6	128.5	66.8	493.9	314.6	121.8
Total capital expenditures	5.2	2.3	0.6	3.5	1.1	1.8
Total debt	14.8	14.8	17.7	15.6		

(i) EBITDA is defined as net income excluding income tax expense, interest and depreciation and amortization. Adjusted EBITDA further EBITDA, adjusted to exclude certain items. These items, if applicable, include: discontinued operations; other income, net; separation costs; restructuring charges, net; immediately expensed up-front and milestone payments; acquisition-related costs; and noncash impairment charges.

The following table provides a reconciliation from net income (as reported) to EBITDA and Adjusted EBITDA:

	Twelve Months Ended March 31, 2014	Three Months Ended March 31, 2014	2013	Fiscal Year 2013	2012	2011
Net income	$ 327.8	$ 74.4	$ 39.1	$ 292.5	$ 197.7	$ 79.6
Income tax expense	167.0	38.6	18.5	146.9	99.6	34.2
Interest expense, net						
Depreciation and amortization	17.0	4.8	2.1	14.3	1.2	1.0
EBITDA	**$ 511.8**	**$ 117.8**	**$ 59.7**	**$ 453.7**	**$ 298.5**	**$ 114.8**
Other expense (income), net[(1)]	(0.6)		(0.2)	(0.8)	(0.7)	(0.6)
Impairments[(2)]			0.7	0.7	1.0	0.3
Contingent consideration fair value adjustment[(3)]	13.0	2.0	0.5	11.5		
Share-based compensation[(4)]	31.4	8.7	6.1	28.8	15.8	7.3
Adjusted EBITDA	**$ 555.6**	**$ 128.5**	**$ 66.8**	**$ 493.9**	**$ 314.6**	**$ 121.8**

(1) Primarily related to interest expense, interest income and any (gain) loss on foreign currency transactions.

(2) Primarily related to impairments of the Doral intangible asset that was sold during the 2013 fiscal year.

(3) Represents the change in fair value of contingent consideration obligations associated with Questcor s acquisitions of the Synacthen Depot asset from Novartis and its acquisition of BioVectra. The contingent consideration associated with Synacthen Depot is tied in part to the pursuit of, and in part to the receipt of, FDA approval of Synacthen Depot. Of the total maximum obligation of $300.0 million, $60.0 million was paid at closing, three $25.0 million payments will be made on each of the first three anniversaries of the closing and the remaining $165.0 million represents contingent consideration. The contingent consideration associated with BioVectra is up to $50.0 million Canadian based upon financial results over the next three years following the acquisition.

(4) Represents historical share-based compensation of Questcor employees.

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COMPARATIVE PER SHARE MARKET PRICE INFORMATION

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share, as well as the dividend paid per share, of Mallinckrodt ordinary shares, which trade on the New York Stock Exchange under the symbol MNK, and Questcor common stock, which trades on the NASDAQ Stock Market under the symbol QCOR.

	Mallinckrodt Ordinary Shares			Questcor Common Stock		
	High	Low	Dividend	High	Low	Dividend
2012						
Quarter ended March 31, 2012	N/A	N/A	N/A	$ 44.18	$ 32.83	$ 0.00
Quarter ended June 30, 2012	N/A	N/A	N/A	$ 54.31	$ 37.18	$ 0.00
Quarter ended September 30, 2012	N/A	N/A	N/A	$ 58.91	$ 17.25	$ 0.00
Quarter ended December 31, 2012	N/A	N/A	N/A	$ 30.39	$ 17.60	$ 0.40
2013						
Quarter ended March 31, 2013	N/A	N/A	N/A	$ 36.54	$ 24.75	$ 0.00
Quarter ended June 30, 2013	$ 50.00	$ 42.00	$ 0.00	$ 50.20	$ 26.80	$ 0.25
Quarter ended September 30, 2013	$ 48.26	$ 41.00	$ 0.00	$ 74.76	$ 45.39	$ 0.25
Quarter ended December 31, 2013	$ 53.56	$ 41.67	$ 0.00	$ 70.17	$ 49.37	$ 0.30
2014						
Quarter ended March 31, 2014	$ 72.93	$ 50.47	$ 0.00	$ 80.25	$ 47.71	$ 0.30
Quarter ended June 30, 2014	$ 83.03	$ 56.12	$ 0.00	$ 94.44	$ 65.12	$ 0.30
Quarter ended September 30, 2014 (through July 9, 2014)	$ 83.20	$ 76.47	$ 0.00	$ 96.44	$ 91.02	$ 0.00

On April 4, 2014, the last trading day before the public announcement of the signing of the Merger Agreement, the closing sale price per Mallinckrodt ordinary share on the New York Stock Exchange was $62.52 and the closing sale price per share of Questcor common stock on the NASDAQ Stock Market was $67.87. On July 9, 2014, the latest practicable date before the date of this joint proxy statement/prospectus, the closing sale price per Mallinckrodt ordinary share on the New York Stock Exchange was $77.50 and the closing sale price per share of Questcor common stock on the NASDAQ Stock Market was $91.60.

Under the terms of the Merger Agreement, the transaction is currently valued at $99.52 per Questcor share, based on the closing price per Mallinckrodt s ordinary shares on July 9, 2014. As a result of the Merger, each issued and outstanding share of Questcor common stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Merger Consideration. Although the exchange ratios are fixed, the trading price of a Mallinckrodt ordinary share will fluctuate until the Merger is consummated.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this joint proxy statement/prospectus 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. Forward-looking statements generally will be accompanied by words such as anticipate, believe, plan, could, should, estimate, expect, forecast, outlook, guidance, intend, possible, potential, predict, project, or other similar words, phrases or expressions. 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 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 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; Questcor s research and development risks, including risks associated with Questcor s work in the areas of nephrotic syndrome and Lupus, and Questcor s efforts to develop and obtain FDA approval of Synacthen Depot; Mallinckrodt s ability to receive procurement and production quotas granted by the DEA; Mallinckrodt s ability to obtain and/or timely transport molybdenum-99 to Mallinckrodt s 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 achieve anticipated benefits of price increases; 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; and 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 periods ended March 28, 2014 and 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 (and the amendment thereto on Form 10-K/A), its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 and its Current Report on Form 8-K, filed with the SEC on July 10, 2014. 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.

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THE MALLINCKRODT EXTRAORDINARY GENERAL MEETING

Date, Time and Place of the Mallinckrodt Extraordinary General Meeting

Mallinckrodt will convene the Mallinckrodt EGM on August 14, 2014 at 3:00 p.m. (local time), at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland. On or about [ ], 2014 Mallinckrodt commenced mailing this document and the enclosed form of proxy to its shareholders entitled to vote at the Mallinckrodt EGM.

Purpose of the Mallinckrodt Extraordinary General Meeting

This joint proxy statement/prospectus is being provided to Mallinckrodt shareholders as part of a solicitation of proxies by the Mallinckrodt board of directors for use at the Mallinckrodt EGM. This joint proxy statement/prospectus provides Mallinckrodt s shareholders with important information they need to know to be able to vote, or instruct their brokers or other nominees to vote, at the Mallinckrodt EGM**.**

At the Mallinckrodt EGM, the Mallinckrodt shareholders will be asked to consider and vote on the proposal described below:

Mallinckrodt EGM Resolution: a proposal to approve the issuance of Mallinckrodt ordinary shares pursuant to the Merger Agreement.

Recommendation of the Mallinckrodt Board of Directors

THE MALLINCKRODT BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND UNANIMOUSLY RECOMMENDS THAT MALLINCKRODT SHAREHOLDERS VOTE FOR THE MALLINCKRODT SHARE ISSUANCE PROPOSAL.

The Mallinckrodt EGM Resolution is an ordinary resolution pursuant to Mallinckrodt s articles of association.

Completion of the Merger is conditioned on approval of the Mallinckrodt Share Issuance Proposal. The issuance of Mallinckrodt ordinary shares will become effective only if the Merger is completed.

For the Mallinckrodt EGM Resolution, because the votes required to approve such resolution are based on votes properly cast at the meeting, and because abstentions are not considered votes properly cast, abstentions, along with failures to vote, will have no effect on the Mallinckrodt EGM Resolution (except for determining whether a quorum is present).

Mallinckrodt Record Date and Quorum

Record Date

Only holders of Mallinckrodt ordinary shares as of the close of business on July 9, 2014, the record date for the Mallinckrodt EGM (the Mallinckrodt record date), will be entitled to notice of, and to vote at the Mallinckrodt EGM or any adjournments thereof. On the Mallinckrodt record date, there were 58,564,819 Mallinckrodt ordinary shares outstanding, held by 3,369 registered holders. Each outstanding Mallinckrodt ordinary share is entitled to one vote on the Mallinckrodt Share Issuance Proposal and any other matter properly coming before the Mallinckrodt EGM.

Quorum

The presence of holders of a majority of Mallinckrodt s ordinary shares which are outstanding and entitled to vote on the Mallinckrodt record date must be present in person or represented by valid proxies to constitute a quorum for the Mallinckrodt EGM. Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum.

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Under the Mallinckrodt articles of association, the Chairman of the Mallinckrodt EGM may at any time adjourn the Mallinckrodt EGM if, in his opinion, it would facilitate the conduct of the business of the Mallinckrodt EGM to do so or if he is so directed by the Mallinckrodt board of directors. Pursuant to this authority, the Mallinckrodt EGM may be adjourned to, among other things, solicit proxies if there are not sufficient votes at the time of the Mallinckrodt EGM in favor of the Mallinckrodt Share Issuance Proposal.

Required Vote

The affirmative vote of a majority of the votes cast, either in person or by proxy, by shareholders entitled to vote on the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM is required to approve the Mallinckrodt Share Issuance Proposal.

Treatment of Abstentions; Failure to Vote

For purposes of the Mallinckrodt EGM, an abstention occurs when a Mallinckrodt shareholder attends the Mallinckrodt EGM in person and does not vote or returns a proxy with an abstain vote. For the Mallinckrodt EGM Resolution, because the votes required to approve such resolution are based on votes properly cast at the meeting, and because abstentions are not considered votes properly cast, abstentions, along with failures to vote, will have no effect on the Mallinckrodt EGM Resolution (except for determining whether a quorum is present).

Voting on Proxies; Incomplete Proxies

Mallinckrodt shareholders as of the Mallinckrodt record date may vote by proxy or in person at the Mallinckrodt EGM. Mallinckrodt recommends that you submit your proxy even if you plan to attend the Mallinckrodt EGM. If you vote by proxy, you may change your vote, among other ways, if you attend and vote at the Mallinckrodt EGM.

If you own Mallinckrodt ordinary shares in your own name, you are considered, with respect to those shares, the shareholder of record. If your shares are held in a stock brokerage account or by a bank, trust company or other nominee, you are considered the beneficial owner of shares held in street name.

If you properly sign, date, mark and return your proxy card or voting instruction form, your shares will be voted in accordance with your instructions. The named proxies will vote all shares at the Mallinckrodt EGM for which proxies have been properly submitted and not revoked. If you sign and return your proxy card or voting instruction form appointing the Chairman as your proxy but do not mark your card to tell the proxy how to vote on a voting item, your shares will be voted with respect to such item in accordance with the recommendation of the Mallinckrodt board of directors.

Mallinckrodt shareholders may also vote over the Internet or by telephone by the close of business on the day immediately preceding the Mallinckrodt EGM. Voting instructions are printed on the proxy card or voting instruction form you received, if available. Either method of submitting a proxy will enable your shares to be represented and voted at the Mallinckrodt EGM.

Giving a proxy means that a Mallinckrodt shareholder authorizes the persons named in the enclosed proxy card or voting instruction form to vote its shares at the Mallinckrodt EGM in the manner it directs. A Mallinckrodt shareholder may vote by proxy or in person at the Mallinckrodt EGM. If you hold Mallinckrodt ordinary shares in your name as a registered Mallinckrodt shareholder, to submit a proxy, you may use one of the following methods:

By Internet. The web address and instructions for Internet voting can be found on the enclosed proxy card. You will be required to provide your assigned control number located on the proxy card. Internet voting is available 24 hours a day until 4:59 p.m., Eastern time, on the day preceding the Mallinckrodt EGM.

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By Telephone. The toll-free telephone number for voting can be found on the enclosed proxy card. You will be required to provide your assigned control number located on the proxy card. Telephone voting is available 24 hours a day. If you choose to vote by telephone, then you do not need to return the proxy card. To be valid, your vote by telephone must be received by 4:59 p.m., Eastern time, on the day preceding the Mallinckrodt EGM.

By Mail. Sign date and mark the enclosed proxy card, and return it in the postage-paid envelope we have provided. To be valid, your vote by mail must be received by 4:59 p.m., Eastern time, on the day preceding the Mallinckrodt EGM.

In Person. You may also vote your shares in person at the Mallinckrodt EGM.

Mallinckrodt requests that Mallinckrodt shareholders vote over the Internet, by telephone (if available) or by completing and signing the accompanying proxy and returning it to Mallinckrodt as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed and not later revoked, the Mallinckrodt ordinary shares represented by it will be voted at the Mallinckrodt EGM in accordance with the instructions contained on the proxy card.

If you sign and return your proxy or voting instruction card without indicating how to vote on the Mallinckrodt Share Issuance Proposal, the Mallinckrodt ordinary shares represented by your proxy will be voted **FOR** such proposal in accordance with the recommendation of the Mallinckrodt board of directors.

If a Mallinckrodt shareholder s ordinary shares are held in street name by a broker, bank, trust company or other nominee, the shareholder should check the voting instruction form used by that firm to determine whether it may vote by telephone or the Internet.

EVERY MALLINCKRODT SHAREHOLDER S VOTE IS IMPORTANT. ACCORDINGLY, EACH MALLINCKRODT SHAREHOLDER SHOULD VOTE, WHETHER OR NOT THE MALLINCKRODT SHAREHOLDER PLANS TO ATTEND THE MALLINCKRODT EXTRAORDINARY GENERAL MEETING IN PERSON.

Shares Held in Street Name

If your Mallinckrodt ordinary shares are held in an account through a bank, broker, trust company or other nominee, you must instruct the bank, broker, trust company or other nominee how to vote your ordinary shares by following the instructions that the bank, broker, trust company or other nominee provides you along with this joint proxy statement/prospectus. Your bank, broker, trust company or other nominee, as applicable, may have an earlier deadline by which you must provide instructions to it as to how to vote your Mallinckrodt ordinary shares, so you should read carefully the materials provided to you by your bank, broker, trust company or other nominee. You may be eligible to submit such instructions electronically or by telephone.

Broker non-votes occur when Mallinckrodt ordinary shares are held by a broker that is present in person or represented by proxy at the Mallinckrodt EGM, but the broker is not instructed by the beneficial owner as to how to vote such Mallinckrodt ordinary shares. As brokers do not have discretionary authority to vote on the Mallinckrodt Share Issuance Proposal, there will be no broker non-votes.

If you do not provide a signed voting instruction form (or otherwise submit your voting instructions in accordance with the procedures specified by your broker, bank, trust company or other nominee) to your broker, bank, trust company or other nominee, your Mallinckrodt ordinary shares will not be voted on any proposal on which the broker, bank, trust company or other nominee does not have discretionary authority to vote. Brokers, banks, trust companies and other nominees do not have discretionary voting with respect to the Mallinckrodt Share Issuance Proposal. Accordingly, if you fail to provide a signed voting instruction form (or otherwise submit your voting instructions in accordance with the procedures specified by your broker, bank, trust company or other nominee) to your broker, bank, trust company or other nominee, your ordinary shares held through such broker, bank, trust company or other nominee will not be voted, which will have no effect on the vote count for the Mallinckrodt Share Issuance Proposal.

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Revocability of Proxies and Changes to a Mallinckrodt Shareholder s Vote

If you are a Mallinckrodt shareholder of record, you may revoke or change your proxy at any time before it is voted at the Mallinckrodt EGM by:

- timely delivering written notice that you have revoked your proxy to the company secretary of Mallinckrodt at the following address:

Mallinckrodt plc

675 James S. McDonnell Blvd.

Hazelwood, Missouri 63042

Attention: Company Secretary

- timely submitting your voting instructions again by telephone or over the Internet;

- signing and returning by mail a proxy card with a later date so that it is received prior to the Mallinckrodt EGM; or

- attending the Mallinckrodt EGM and voting by ballot in person.

Attendance at the Mallinckrodt EGM will not, in and of itself, revoke or change a proxy.

If your Mallinckrodt ordinary shares are held in street name by a broker, bank, trust company or other nominee, you should follow the instructions of your broker, bank, trust company or other nominee regarding the revocation of proxies.

Solicitation of Proxies

Mallinckrodt will bear the cost of soliciting proxies from its shareholders, except that the costs associated with the filing, printing, publication and mailing of this joint proxy statement/prospectus to both Mallinckrodt s shareholders and Questcor s shareholders will be borne and discharged one-half by Mallinckrodt and one-half by Questcor.

Mallinckrodt will solicit proxies by mail. In addition, the directors, officers and employees of Mallinckrodt may solicit proxies from its shareholders by telephone, electronic communication, or in person, but will not receive any additional compensation for their services. Mallinckrodt will make arrangements with brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy solicitation materials to the beneficial owners of Mallinckrodt ordinary shares held of record by those persons and will reimburse them for their reasonable out-of-pocket expenses incurred in forwarding such proxy solicitation materials.

Mallinckrodt has engaged a professional proxy solicitation firm, D.F. King, & Co., Inc., 48 Wall Street, 22nd Floor, New York, New York 10005 to assist in the solicitation of proxies for a fee of approximately $50,000, and will

reimburse D.F. King, & Co., Inc. for its reasonable disbursements.

Attending the Mallinckrodt Extraordinary General Meeting

Attendance at the Mallinckrodt EGM is limited to Mallinckrodt shareholders on the Mallinckrodt record date. Please indicate on the enclosed proxy card if you plan to attend the Mallinckrodt EGM. If your shares are held through a broker, bank, trust company or other nominee and you would like to attend, you will need to bring to the meeting a letter from the broker, bank, trust company or other nominee confirming beneficial ownership of the Mallinckrodt ordinary shares as of the Mallinckrodt record date for the Mallinckrodt EGM. Any beneficial holder who plans to vote at the Mallinckrodt EGM must also obtain a legal proxy, executed in their favor by or on behalf of their broker, bank, trust company or other nominee, and should contact such broker, bank, trust company or other nominee for instructions on how to obtain a legal proxy. Each Mallinckrodt shareholder will be asked to provide valid government-issued photo identification, such as a driver s license or passport, and proof of ownership as of the Mallinckrodt record date. The use of cell phones, smartphones, pagers, recording and photographic equipment will not be permitted in the meeting rooms.

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Assistance

If you need assistance in completing your proxy card, voting instruction form or have questions regarding the Mallinckrodt EGM please contact D.F. King, & Co., Inc., the proxy solicitation agent for Mallinckrodt, by mail at 48 Wall Street, 22nd Floor, New York, New York 10005. Banks and brokers call collect: (212) 269-5550; all others call toll free: (888) 542-7446. Alternatively, you can email D.F. King & Co., Inc. at mnk@dfking.com.

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MALLINCKRODT PROPOSAL

Mallinckrodt Share Issuance Proposal

As discussed throughout this document, Mallinckrodt is asking its shareholders to approve the Mallinckrodt Share Issuance Proposal. Holders of Mallinckrodt ordinary shares should read carefully this document in its entirety, including the appendices, for more detailed information concerning the Merger Agreement and the transactions contemplated thereby. In particular, holders of Mallinckrodt ordinary shares are directed to the Merger Agreement, a copy of which is attached as Annex A to this document.

Completion of the Merger is conditioned on approval of the Mallinckrodt Share Issuance Proposal. The issuance of Mallinckrodt ordinary shares will become effective only if the Merger is completed.

Vote Required and Mallinckrodt Board Recommendation

The affirmative vote of a majority of the votes cast, either in person or by proxy, by shareholders entitled to vote on the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM is required to approve the Mallinckrodt Share Issuance Proposal.

The Mallinckrodt board of directors recommends a vote **FOR** the Mallinckrodt Share Issuance Proposal.

Other Matters to Come Before the Mallinckrodt Extraordinary General Meeting

No other matters are intended to be brought before the Mallinckrodt EGM by Mallinckrodt, and Mallinckrodt does not know of any matters to be brought before the Mallinckrodt EGM by others. If, however, any other matters properly come before the Mallinckrodt EGM, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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THE QUESTCOR SPECIAL MEETING

Date, Time and Place of the Questcor Special Meeting

The Questcor special meeting will be held at the offices of Latham & Watkins LLP, located at 650 Town Center Drive, 20th Floor, Costa Mesa, California 92626, at 8:00 a.m. (local time) on August 14, 2014. On or about [ ], Questcor commenced mailing this document and the enclosed form of proxy to its shareholders entitled to vote at the Questcor special meeting.

Purpose of the Questcor Special Meeting

At the Questcor special meeting, Questcor shareholders will be asked to:

- approve and adopt the Merger Agreement, a copy of which is attached as Annex A to this document, and to approve the transactions contemplated by the Merger Agreement, including the Merger (the Merger Proposal);
- approve the adjournment of the Questcor special meeting, or any adjournments thereof, to another time and place if necessary or appropriate to, among other things, solicit additional proxies if there are insufficient votes at the time of the Questcor special meeting to approve the Merger Proposal (the Questcor Adjournment Proposal); and
- approve, on a non-binding, advisory basis, the merger-related compensation of Questcor s named executive officers (the Merger-Related Named Executive Officer Compensation Proposal).

Recommendation of the Questcor Board of Directors

The Questcor board of directors recommends that you vote **FOR** the Merger Proposal, **FOR** the Questcor Adjournment Proposal and **FOR** Merger-Related Named Executive Officer Compensation Proposal. See *The Merger Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger* beginning on page 109 of this joint proxy statement/prospectus.

Questcor Record Date and Quorum

The Questcor board of directors has fixed the close of business on July 9, 2014 as the record date for determining the holders of shares of Questcor common stock entitled to receive notice of and to vote at the Questcor special meeting.

As of the Questcor record date, there were 61,420,933 shares of Questcor common stock outstanding and entitled to vote at the Questcor special meeting held by 592 holders of record. Each share of Questcor common stock entitles the holder to one vote at the Questcor special meeting on each proposal to be considered at the Questcor special meeting.

The representation (in person or by proxy) of holders of at least a majority of the shares of Questcor common stock entitled to vote on the matters to be voted on at the Questcor special meeting constitutes a quorum for transacting business at the Questcor special meeting. All shares of Questcor common stock, whether present in person or represented by proxy, including broker non-votes and abstentions, will be treated as present for purposes of

determining the presence or absence of a quorum for all matters voted on at the Questcor special meeting.

As of the Questcor record date, directors and executive officers of Questcor and their affiliates owned and were entitled to vote 3,062,179 shares of Questcor common stock, representing approximately 5% of the shares of Questcor common stock outstanding on that date. Questcor currently expects that Questcor s directors and executive officers will vote their shares in favor of the Merger Proposal, the Questcor Adjournment Proposal and the Merger-Related Named Executive Officer Compensation Proposal, although none of them has entered into any agreements obligating them to do so.

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Required Vote

Required Vote to Approve the Merger Proposal

The affirmative vote of a majority of the outstanding shares of Questcor common stock entitled to vote on the Merger Proposal at the Questcor special meeting is required to approve the Merger Proposal.

Required Vote to Approve the Questcor Adjournment Proposal

The affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Questcor Adjournment Proposal present, either in person or by proxy, at the Questcor special meeting is required to approve the Questcor Adjournment Proposal.

Required Vote to Approve the Merger-Related Named Executive Officer Compensation Proposal

The affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Merger-Related Named Executive Officer Compensation Proposal present, either in person or by proxy, at the Questcor special meeting is required to approve the Merger-Related Named Executive Officer Compensation Proposal.

Treatment of Abstentions; Failure to Vote

For purposes of the Questcor special meeting, an abstention occurs when a Questcor shareholder attends the Questcor special meeting in person and does not vote or returns a proxy with an abstain vote.

For the Merger Proposal, an abstention or a failure to vote will have the same effect as a vote cast AGAINST this proposal.

For the Questcor Adjournment Proposal, an abstention will have the same effect as a vote against the proposal. If a Questcor shareholder fails to vote and is not present in person or by proxy at the Questcor special meeting, it will have no effect on the vote count for the Questcor Adjournment Proposal (assuming a quorum is present).

For the Merger-Related Named Executive Officer Compensation Proposal, an abstention will have the same effect as a vote against the proposal. If a Questcor shareholder fails to vote and is not present in person or by proxy at the Questcor special meeting, it will have no effect on the vote count for the Merger-Related Named Executive Officer Compensation Proposal (assuming a quorum is present).

Voting on Proxies; Incomplete Proxies

Giving a proxy means that a Questcor shareholder authorizes the persons named in the enclosed proxy card or voting instruction form to vote its shares at the Questcor special meeting in the manner it directs. A Questcor shareholder may vote by proxy or in person at the Questcor special meeting. If you hold your shares of Questcor common stock in your name as a shareholder of record, to submit a proxy, you, as a Questcor shareholder, may use one of the following methods:

***By Internet*.** The web address and instructions for Internet voting can be found on the enclosed proxy card. You will be required to provide your assigned control number located on the proxy card. Internet voting via *http://www.envisionreports.com/QCOR/* is available 24 hours a day until 1:00 a.m., Central time, on August 14, 2014. If you choose to vote by Internet, then you do not need to return the proxy card.

***By Telephone*.** The toll-free number for telephone voting can be found on the enclosed proxy card. You will be required to provide your assigned control number located on the proxy card. Telephone voting is available 24 hours a day. If you choose to vote by telephone, then you do not need to return the proxy card. To be valid, your vote by telephone must be received by 1:00 a.m., Central time, on August 14, 2014.

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By Mail. Sign, date and mark the enclosed proxy card, and return it in the postage-paid envelope we have provided. To be valid, your vote by mail must be received by 1:00 a.m., Central time, on August 14, 2014.

In Person. You may also vote your shares in person at the Questcor special meeting.

Questcor requests that Questcor shareholders vote over the Internet, by telephone or by completing and signing the accompanying proxy and returning it to Questcor as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of Questcor common stock represented by it will be voted at the Questcor special meeting in accordance with the instructions contained on the proxy card.

If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the Questcor common stock represented by your proxy will be voted **FOR** each proposal in accordance with the recommendation of the Questcor board of directors. Unless a Questcor shareholder checks the box on its proxy card to withhold discretionary authority, the proxy holders may use their discretion to vote on the proposals relating to the Questcor special meeting.

If a Questcor shareholder s shares are held in street name by a broker, bank, trust company or other nominee, the shareholder should check the voting form used by that firm to determine whether it may vote by telephone or the Internet.

Every Questcor shareholder s vote is important. Accordingly, each Questcor shareholder should vote via the Internet or by telephone, or sign, date, mark and return the enclosed proxy card, whether or not the Questcor shareholder plans to attend the Questcor special meeting in person.

Shares Held in Street Name

If you are a Questcor shareholder and your shares are held in street name through a broker, bank, trust company or other nominee, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the broker, bank, trust company or other nominee. You may not vote shares held in street name by returning a proxy card directly to Questcor or by voting in person at the Questcor special meeting unless you provide a legal proxy, which you must obtain from your broker, bank, trust company or other nominee. Further, brokers, banks, trust companies or other nominees who hold shares of Questcor common stock on behalf of their customers may not give a proxy to Questcor to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks, trust companies and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Questcor shareholder and you do not instruct your broker, bank, trust company or other nominee on how to vote your shares:

your broker, bank, trust company or other nominee may not vote your shares on the Merger Proposal, which broker non-votes will have the same effect as a vote **AGAINST** this proposal;

your broker, bank, trust company or other nominee may not vote your shares on the Questcor Adjournment Proposal, which broker non-votes will have no effect on the vote count for this proposal (assuming a quorum is present); and

your broker, bank, trust company or other nominee may not vote your shares on the Merger-Related Named Executive Officer Compensation Proposal, which broker non-votes will have no effect on the vote count for this proposal (assuming a quorum is present).

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Revocability of Proxies and Changes to a Questcor Shareholder s Vote

A Questcor shareholder has the power to change its vote at any time before its shares of Questcor common stock are voted at the Questcor special meeting by:

- sending a written notice of revocation to the corporate secretary of Questcor at 1300 Kellogg Drive, Suite D, Anaheim, California 92807 that is received by Questcor prior to 1:00 a.m., Central time, on August 14, 2014; or
- submitting a new proxy bearing a later date (by Internet, telephone or mail) that is received no later than the deadline specified on the proxy card; or
- attending the Questcor special meeting and voting in person.

Please note, however, that any beneficial owner of Questcor common stock whose shares are held in street name through a brokerage firm, bank, trust company or other nominee may revoke its proxy and vote its shares in person at the Questcor special meeting only in accordance with applicable rules and procedures as employed by such beneficial owner s brokerage firm, bank, trust company or other nominee. If your shares are held in an account at a broker, bank, trust company or other nominee, you must follow the directions you receive from your bank, broker, trust company or other nominee in order to change or revoke your vote and should contact your broker, bank, trust company or other nominee to change your vote.

Attending the Questcor special meeting will NOT automatically revoke a proxy that was submitted through the Internet or by telephone or mail.

Solicitation of Proxies

The cost of solicitation of proxies will be borne by Questcor. Questcor will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock. Questcor has retained a professional proxy solicitation firm, MacKenzie Partners Inc., 105 Madison Avenue, New York, New York 10016, to assist in the solicitation of proxies for a fee of approximately $60,000. Questcor has also agreed to reimburse MacKenzie Partners Inc. for reasonable out-of-pocket expenses incurred in connection with the proxy solicitation and to indemnify MacKenzie Partners Inc. against certain losses, claims and expenses. In addition to solicitations by mail, Questcor s directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

Attending the Questcor Special Meeting

Subject to space availability and certain security procedures, all Questcor shareholders as of the record date, or their duly appointed proxies, may attend the Questcor special meeting. Admission to the Questcor special meeting will be on a first-come, first-served basis.

If you hold your shares of Questcor common stock in your name as a shareholder of record and you wish to attend the Questcor special meeting, you must present your proxy and evidence of your stock ownership, such as your most recent account statement, to the Questcor special meeting. You should also bring valid picture identification.

If your shares of Questcor common stock are held in street name in a stock brokerage account or by a bank, trust company or other nominee and you wish to attend the Questcor special meeting, you need to bring a copy of a bank or brokerage statement to the Questcor special meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification.

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Assistance

If you need assistance in completing your proxy card or voting instruction form or have questions regarding the Questcor special meeting, please contact MacKenzie Partners Inc., the proxy solicitation agent for Questcor, by mail at 105 Madison Avenue, New York, New York 10016. Banks and brokers call collect: (212) 929-5500; all others call toll free: (800) 322-2885. Alternatively, you can email Mackenzie Partners Inc. at proxy@mackenziepartners.com.

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QUESTCOR PROPOSALS

Merger Proposal

As discussed throughout this document, Questcor is asking its shareholders to approve the Merger Proposal. Pursuant to the Merger Agreement, Mallinckrodt will acquire Questcor in a merger transaction. Merger Sub, a wholly owned indirect subsidiary of Mallinckrodt, will merge with and into Questcor with Questcor continuing as the surviving corporation (referred to herein as the surviving corporation). Following the Merger, Questcor will be a wholly owned indirect subsidiary of Mallinckrodt and the Questcor common stock will be delisted from the NASDAQ Stock Market, deregistered under the Exchange Act and cease to be publicly traded.

Holders of shares of Questcor common stock should read carefully this document in its entirety, including the appendices, for more detailed information concerning the Merger Agreement and the Merger. In particular, holders of shares of Questcor common stock are directed to the Merger Agreement, a copy of which is attached as Annex A to this document.

Completion of the Merger is conditioned on approval of the Merger Proposal.

Vote Required and Questcor Board Recommendation

The affirmative vote of a majority of the outstanding shares of Questcor common stock entitled to vote on the Merger Proposal at the Questcor special meeting is required to approve the Merger Proposal.

The Questcor board of directors recommends a vote FOR the Merger Proposal.

Questcor Adjournment Proposal

Questcor is asking its shareholders to approve the adjournment of the Questcor special meeting, or any adjournments thereof, to another time and place if necessary or appropriate to, among other things, solicit additional proxies if there are insufficient votes at the time of the Questcor special meeting to approve the Merger Proposal. The Merger Agreement provides that Questcor may not, subject to certain exceptions, postpone or adjourn the Questcor special meeting more than thirty (30) days after the date on which the Questcor special meeting was originally scheduled.

Completion of the Merger is not conditioned on the approval of the Questcor Adjournment Proposal.

Vote Required and Questcor Board Recommendation

The affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Questcor Adjournment Proposal present, either in person or by proxy, at the Questcor special meeting is required to approve the Questcor Adjournment Proposal.

The Questcor board of directors recommends a vote FOR the Questcor Adjournment Proposal.

Merger-Related Named Executive Officer Compensation Proposal

Merger-Related Compensation

Questcor is required pursuant to Section 14A of the Exchange Act to include in this joint proxy statement/prospectus a proposal with respect to a non-binding, advisory vote on the compensation payable to each of its named executive officers, as determined in accordance with Item 402(t) of Regulation S-K, in connection with the Merger pursuant to arrangements entered into with Questcor, and Questcor is therefore asking its shareholders to approve the following resolution:

RESOLVED, that the compensation that may be paid or become payable to Questcor s named executive officers in connection with the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K in this Merger-Related Named Executive Compensation Proposal, is hereby APPROVED.

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The information set forth in the table below is intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about certain compensation for each Questcor named executive officer that is based on or otherwise relates to the Merger.

Please note that the amounts indicated below are estimates based on the material assumptions described in the notes to the table below, which may or may not actually occur. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, that may become payable to a named executive officer may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts, Questcor has assumed:

A closing date for the Merger of July 9, 2014; and

Unless otherwise described below, with respect to each named executive officer, a termination of employment by the executive for good reason or by Questcor without cause, in each case, on the closing date.

Name	Cash ($)[1]	Equity ($)[2]	Tax Reimbursement ($)[3]	Total ($)
Don M. Bailey	4,108,750	20,504,401		24,613,151
Rajesh Asarpota	750,000	1,950,480	811,036	3,511,516
Stephen L. Cartt	1,201,500	8,171,698		9,373,198
David J. Medeiros	955,738	4,921,240		5,876,978
Michael H. Mulroy	989,100	7,209,969	1,764,803	9,963,872
David Young	1,107,000	6,622,437		7,729,437

(1) Amount represents the cash severance that the named executive officer is eligible to receive (if any), as well as the named executive officer s 2014 cash bonus under Questcor s 2014 Bonus Policy.
Cash severance would be payable in a lump sum upon a qualifying termination, which means a termination of the executive s employment by him for good reason or by Questcor without cause , in either case, during the period beginning 60 days or three months prior, respectively, to a change in control and ending 12 months following a change in control (i.e., pursuant to a double trigger arrangement), subject, in either case, to the executive s timely execution and non-revocation of a general release of claims. In either such event, pursuant to the Questcor employment arrangements, each named executive officer would be entitled to receive (i) 12 months salary (24 months for Mr. Bailey) and (ii) one times (two times for Mr. Bailey) the executive s target bonus for the year of termination, payable in a single lump sum.

The named executive officer s 2014 cash bonus will be payable within 90 days following September 30, 2014, subject to continued employment through September 30, 2014, and further subject to and contingent upon the consummation of the Merger. The 2014 cash bonus will be a single-trigger payment.

The following table quantifies each separate form of compensation included in the aggregate total reported in the column. With respect to the named executive officer s 2014 bonuses, the amounts in the table represent 75% of each executive s 2014 target bonus opportunity (and assume the consummation of the Merger and continued employment

through September 30, 2014).

Name	Base Salary Severance ($)	Bonus Component of Severance ($)	2014 Bonus ($)
Don M. Bailey	1,730,000	1,730,000	648,750
Rajesh Asarpota	400,000	200,000	150,000
Stephen L. Cartt	540,000	378,000	283,500
David J. Medeiros.	487,000	267,850	200,888
Michael H. Mulroy	504,000	277,200	207,900
David Young	540,000	324,000	243,000

(2) Under the Questcor employment arrangements, each named executive officer would be entitled to accelerated vesting of his outstanding Questcor equity awards pursuant to a double trigger arrangement,

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i.e., the occurrence of a change in control (the Merger) and the executive s qualifying termination as described in footnote (1) above.

In addition, pursuant to Questcor s 2006 Equity Incentive Award Plan, all of the Questcor equity awards held by named executive officers vest in part or in full (with the actual levels of vesting dependent on the executive s service with Questcor and the combined company) if the executive remains continuously employed until the thirteen-month anniversary of the closing of the Merger.

Further, pursuant to the Merger Agreement, each Questcor restricted share award held by a named executive officer that is subject to performance-based vesting conditions (a performance award) and is outstanding immediately prior to the effective time of the Merger will be cancelled and converted into the right to receive the Merger Consideration in respect of each share of Questcor common stock underlying the award.

The following table quantifies the value of the unvested Questcor stock options, restricted stock awards and performance awards held by the named executive officers (assuming the occurrence of a change in control and qualifying termination of employment on the closing date), and a price per share of Questcor common stock of $81.27, which equals the average closing price of Questcor common stock over the first five business days following April 7, 2014. As of July 9, 2014, the Questcor named executive officers did not hold any other outstanding Questcor equity awards.

Name	Number of Unvested Stock Options (#)	Value of Unvested Stock Options ($)	Number of Restricted Stock Awards (#)	Value of Restricted Stock Awards ($)	Number of Performance Awards (#)	Value of Performance Awards ($)
Don M. Bailey	133,334	6,693,621	116,937	9,503,470	53,000	4,307,310
Rajesh Asarpota	0	0	20,000	1,625,400	4,000	325,080
Stephen L. Cartt	50,000	2,543,750	46,250	3,758,738	23,000	1,869,210
David J. Medeiros	33,334	1,695,878	26,687	2,168,852	13,000	1,056,510
Michael H. Mulroy	43,230	2,359,207	41,687	3,387,902	18,000	1,462,860
David Young	54,167	2,823,064	32,750	2,661,593	14,000	1,137,780

(3) Under Mr. Bailey s employment agreement, Mr. Bailey is entitled to a tax gross-up payment in an amount that will have an after-tax value equal to taxes that are imposed if any severance payments due to Mr. Bailey are determined to be greater than 125% of the amount that would cause any portion of the payments to be excess parachute payments subject to excise tax under Section 4999 of the Internal Revenue Code. In addition, Messrs. Mulroy and Asarpota have each entered into an amendment to their severance agreements pursuant to which the executive is entitled to a tax gross-up payment in an amount that will have an after-tax value equal to taxes that could be imposed if any payments due to the executive are considered to be excess parachute payments subject to excise tax under Section 4999 of the Internal Revenue Code. All tax gross-up payments are payable upon a single-trigger change in control (closing of the Merger only). The amounts in this column quantify the potential tax gross-up payment (if any) for each named executive officer.

Narrative Disclosure to Merger-Related Compensation Table

Questcor has entered into employment, severance and/or change in control agreements with each of its named executive officers, each of which provides for severance payments and benefits upon certain terminations of

employment. In addition, pursuant to Questcor s 2014 Bonus Policy, Questcor s named executive officers are eligible to receive a bonus that is no less than 75% of the executive s target bonus, and no greater than the product of 1.72, multiplied by 75% of the executive s target bonus. The bonus will be payable within 90 days following September 30, 2014, subject to the executive s continued employment through that date and the consummation of the Merger. Moreover, in the event the executive s employment is terminated by Questcor without cause or for good reason (each, as defined in the Questcor s 2006 Equity Incentive Award Plan), prior to September 30, 2014, the named executive officer will be entitled to his or her target bonus, prorated based on the number of days the named executive officer was employed in 2014.

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Pursuant to Questcor s 2006 Equity Incentive Award Plan, all of the Questcor equity awards held by the named executive officers will vest (i) in full if the named executive officer experiences a termination of service for good reason due to a material relocation or upon a termination of service without cause, in each case, within 60 days prior to or 13 months following a change in control of Questcor, including the Merger, or (ii) in part or in full (with the actual levels of vesting dependent on the executive s service with Questcor and the combined company) if the executive remains continuously employed with Questcor until the 13-month anniversary of the closing of the Merger, or experiences a termination of service for good reason other than due to a material relocation during the period described in clause (i) above.

For more information relating to the Questcor employment, severance and change in control agreements, Questcor s 2014 Bonus Policy and the treatment of the Questcor equity awards held by Questcor named executive officers, see above under the heading *The Merger Interests of Questcor s Directors and Executive Officers in the Transaction* beginning on page 139.

Completion of the Merger is not conditioned on approval of the Merger-Related Named Executive Officer Compensation Proposal.

Vote Required and Questcor Board Recommendation

The vote on this proposal is a vote separate and apart from the vote to approve the Merger Proposal. Accordingly, you may vote not to approve the Merger-Related Named Executive Officer Compensation Proposal and vote to approve the Merger Proposal and vice versa. The vote to approve the Merger-Related Named Executive Officer Compensation Proposal is advisory in nature and, therefore, is not binding on Questcor or the board of directors or the compensation committee of Questcor, regardless of whether the Merger Proposal is approved. Approval of the Merger-Related Named Executive Officer Compensation Proposal is not a condition to completion of the Merger, and failure to approve this advisory matter will have no effect on the vote to approve the Merger Proposal. The merger-related named executive officer compensation to be paid in connection with the Merger is based on contractual arrangements with the named executive officers and accordingly the outcome of this advisory vote will not affect the obligation to make these payments.

The affirmative vote of a majority of the shares of Questcor common stock entitled to vote on the Questcor Merger-Related Named Executive Officer Compensation Proposal present, either in person or by proxy, at the Questcor special meeting is required to approve the Merger-Related Named Executive Officer Compensation Proposal.

The Questcor board of directors recommends a vote FOR the Merger-Related Named Executive Officer Compensation Proposal.

Other Matters to Come Before the Questcor Special Meeting

No other matters are intended to be brought before the Questcor special meeting by Questcor. If, however, any other matters properly come before the Questcor special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

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INFORMATION ABOUT THE COMPANIES

Mallinckrodt

Mallinckrodt plc

Damastown, Mulhuddart

Dublin 15, Ireland

Telephone: +353 (1) 880-8180

Mallinckrodt was incorporated in Ireland on January 9, 2013 for the purpose of holding the former pharmaceuticals business of Covidien. On June 28, 2013, Covidien shareholders of record received one Mallinckrodt ordinary share for every eight ordinary shares of Covidien held as of the record date for the distribution, June 19, 2013, and the former pharmaceuticals business of Covidien was transferred to Mallinckrodt on June 28, 2013, thereby completing its legal separation from Covidien. Mallinckrodt is a global company that develops, manufactures, markets and distributes both branded and specialty generic pharmaceuticals, active pharmaceutical ingredients and diagnostic imaging agents. Mallinckrodt ordinary shares are listed on the New York Stock Exchange under the symbol MNK.

Merger Sub

Quincy Merger Sub, Inc.

c/o Mallinckrodt plc

675 James S. McDonnell Boulevard

Hazelwood, Missouri 63042

Telephone: (314) 654-2000

Merger Sub is a Delaware corporation and a wholly owned subsidiary of Mallinckrodt. Merger Sub was incorporated on April 4, 2014 for the purposes of effecting the Merger. To date, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the Merger Agreement, the preparation of applicable filings under U.S. securities laws and regulatory filings made in connection with the proposed transaction.

Questcor

Questcor Pharmaceuticals, Inc.

1300 North Kellogg Drive, Suite D

Anaheim, California 92807

Telephone: (714) 497-4899

Questcor incorporated in California in September 1992 as Cypros Pharmaceutical Corporation and, in November 1999, changed its name to Questcor Pharmaceuticals, Inc. Questcor is a biopharmaceutical company focused on the treatment of patients with serious, difficult to treat autoimmune and inflammatory disorders. Questcor and its subsidiaries develop, manufacture and sell its primary marketed branded product, Acthar, which has approved by the U.S. Food and Drug Administration for the treatment of 19 indications. Questcor also supplies specialty contract manufacturing services to the global pharmaceutical and biotechnology industry through its wholly owned subsidiary, BioVectra Inc. Questcor s sales and marketing teams are focused on increasing the usage of Acthar among specialists who treat patients with multiple sclerosis, infantile spasms, proteinuria in the nephrotic syndrome of the idiopathic type, dermatomyositis, polymyositis and in certain rheumatology related conditions. In addition, Questcor s research and development personnel are working to explore promising additional uses for Acthar for a variety of other conditions.

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THE MERGER

This discussion of the Merger is qualified in its entirety by reference to the Merger Agreement, which is attached to this joint proxy statement/prospectus as Annex A. You should read the entire Merger Agreement carefully as it is the legal document that governs the Merger.

Transaction Structure

Pursuant to the Merger Agreement, Mallinckrodt will acquire Questcor in a merger transaction. Merger Sub will merge with and into Questcor, with Questcor continuing as the surviving corporation. Following the Merger, Questcor will be an indirect wholly owned subsidiary of Mallinckrodt and Questcor common stock will be delisted from the NYSE, deregistered under the Exchange Act and cease to be publicly traded.

Consideration to Questcor Shareholders

As a result of the Merger, each issued and outstanding share of Questcor common stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Merger Consideration.

It is anticipated that Mallinckrodt shareholders and Questcor shareholders, in each case as of immediately prior to the Merger, will hold approximately 50.5% and 49.5%, respectively, of the Mallinckrodt ordinary shares immediately after completion of the Merger. The foregoing expected ownership percentages were calculated based on what holders of shares and awards of Mallinckrodt and Questcor would be expected to own immediately following the completion of the Merger on a fully diluted basis using the treasury stock method. It is currently estimated that, if the Merger is completed, Mallinckrodt will issue or reserve for issuance approximately 59 million Mallinckrodt ordinary shares and that the aggregate cash portion of the Merger Consideration will be approximately $1.88 billion.

No holder of Questcor common stock will be issued fractional Mallinckrodt ordinary shares in the Merger. Each holder of Questcor common stock converted pursuant to the Merger who would otherwise have been entitled to receive a fraction of a Mallinckrodt ordinary share will receive, in lieu thereof, cash, without interest, in an amount equal to such fractional part of a Mallinckrodt ordinary share multiplied by the volume weighted average price of Mallinckrodt ordinary shares for a ten trading day period, starting with the opening of trading on the eleventh trading day prior to the closing date of the Merger and ending with the closing of trading on the second to last trading day prior to the closing date of the Merger, as reported by Bloomberg.

The Merger Consideration will be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Questcor common stock or Mallinckrodt ordinary shares, as applicable), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with respect to the number of shares of Questcor common stock or Mallinckrodt ordinary shares outstanding after the date of the Merger Agreement and prior to the effective time of the Merger.

Background of the Transaction

Members of Questcor s senior management and Questcor s board of directors, in their ongoing effort to maximize shareholder value, have periodically reviewed and assessed various strategies for Questcor. This review and assessment considered the various trends and conditions affecting the specialty pharmaceutical sector and the operations and financial performance of Questcor, as well as potential opportunities for business combinations, acquisitions, and other financial and strategic alternatives. In order to gather information on industry trends, members of Questcor s senior management met with various investment banks on numerous occasions in 2012 and 2013 to

discuss industry trends and potential strategic alternatives that might be available to Questcor. The review of industry trends and possible strategies discussed with these investment banks included licensing products, acquiring companies, mergers, a sale of Questcor, various forms of financing, and a recapitalization of the company.

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Following its separation from Covidien on June 28, 2013, Mallinckrodt s management has regularly evaluated its business and plans and considered a variety of transactions to enhance its business, including acquisitions of other companies and businesses. As part of this process, with the assistance of its financial advisors (including Barclays), Mallinckrodt has reviewed potential acquisition candidates, including Questcor, in the pharmaceutical industry.

On December 10, 2013, the Questcor board of directors held a regularly scheduled meeting. At this meeting, the Questcor board of directors and its senior management discussed Questcor s valuation and the possible exploration of value enhancement strategies. As a result of these discussions, the Questcor board of directors established a Strategic Advisory Committee and appointed Don Bailey, the President and Chief Executive Officer and a director of Questcor, and Messrs. Kelly Martin and Angus Russell as the Questcor directors to serve on the committee. The next day, Questcor filed a Form 8-K disclosing the formation of the Questcor Strategic Advisory Committee, noting that [t]he committee will support management s and the Board s investigation and evaluation of potential strategies to utilize the future potential cash flow resultant from Questcor s Acthar business to continue to generate long-term growth and value for all of Questcor s constituencies including shareholders, patients and the healthcare community. Potential strategies could involve continued diversification through acquisitions of pharmaceutical products or companies, and other strategic transactions.

On December 12, 2013, a representative of Barclays at the request of Mallinckrodt telephoned Michael H. Mulroy, then Executive Vice President, Chief Financial Officer and General Counsel of Questcor and, currently, Executive Vice President Strategic Affairs and General Counsel of Questcor, to discuss a possible meeting between Questcor and Mallinckrodt in January 2014 at the J.P. Morgan Healthcare Conference in San Francisco. Barclays noted that the primary purpose of the meeting was for the Mallinckrodt management team to establish additional relationships in the industry, consistent with their business development strategy following Mallinckrodt s June 2013 separation from Covidien.

On January 13, 2014, Mr. Bailey, Mr. Mulroy, Steve Cartt, Chief Operating Officer of Questcor, and Michael Aldridge, Senior Vice President, Corporate Strategic Development of Questcor, met with the following executives from Mallinckrodt in San Francisco (as well as a representative of Barclays): Mark Trudeau, President and Chief Executive Officer, Matthew Harbaugh, Senior Vice President and Chief Financial Officer, Gary Phillips, MD, Senior Vice President and Chief Strategy Officer, and Richard Hoyt, Director Portfolio Management. During this meeting, the Mallinckrodt representatives described their company and their general growth strategy, and discussed with Questcor representatives the possibility and potential benefits of a strategic combination of the two companies.

On January 14, 2014, also in conjunction with the J.P. Morgan Conference in San Francisco, Mr. Bailey met with the chief executive officer of another pharmaceutical company (Company A), which introductory meeting was arranged by a different investment banking firm (Banker A). At that meeting, Mr. Bailey and Company A s chief executive officer had a high level discussion about each other s companies.

Following these two meetings, each of Barclays and Banker A separately contacted Questcor management to express interest on behalf of Mallinckrodt and Company A, respectively, in holding an additional meeting with Questcor management to discuss a possible business combination or other strategic transaction involving Questcor.

On January 21, 2014, the Questcor Strategic Advisory Committee held a meeting in New York City. During that meeting, the members of the Questcor Strategic Advisory Committee discussed multiple strategic alternatives that might be available to Questcor and the indications of interests in a potential business combination expressed by Mallinckrodt and Company A. The Questcor Strategic Advisory Committee felt that it was in Questcor shareholders best interests for management to continue discussions with both companies. The Questcor Strategic Advisory Committee also discussed the possibility of the Company retaining an investment

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banking firm or firms to support the Company s efforts to evaluate strategic alternatives and its ongoing discussions with Mallinckrodt and Company A. The Questcor Strategic Advisory Committee determined that management should ask representatives of Centerview Partners LLC (Centerview) to assist management with next steps in responding to the two companies due to Centerview s knowledge and experience in the pharmaceuticals industry, including its familiarity with Questcor and its business and Centerview s nationally recognized reputation as a top-tier investment bank.

On January 24, 2014, Mr. Bailey and Mr. Trudeau spoke by telephone and discussed potential next steps in connection with exploring a possible business combination of Questcor and Mallinckrodt, including the possibility of exchanging summary information and a second in-person meeting in Summit County, Colorado in conjunction with the Questcor senior management team s attendance at a Questcor sales force meeting. Mr. Bailey and Mr. Trudeau also discussed the possibility of Questcor and Mallinckrodt entering into a mutual non-disclosure agreement. Later on January 24, 2014, Mr. Bailey and the chief executive officer of Company A spoke by telephone to discuss the possibility of an in-person meeting.

On January 25, 2014, Questcor and Mallinckrodt entered into a mutual non-disclosure agreement (with an effective date of January 21, 2014) to facilitate each party s evaluation of the other, which agreement included a standstill provision. That same week and through the beginning of April 2014 when the Merger Agreement was executed, representatives of Mallinckrodt and Questcor (including outside legal counsel and other advisors and consultants) conducted extensive due diligence on each party (initially beginning with a review of public information about each party).

On January 28, 2014, Questcor entered into a mutual non-disclosure agreement with Company A, which agreement included a standstill provision that terminated upon the announcement of the Merger Agreement.

On January 28, 2014 and January 29, 2014, Messrs. Bailey, Cartt and Mulroy from Questcor met with Messrs. Trudeau and Harbaugh and Dr. Phillips from Mallinckrodt in Summit County, Colorado to provide additional information about their respective companies and further develop the relationships between the individual members of each company s management team. The group discussed a possible process to further explore a potential business combination between Questcor and Mallinckrodt and agreed that Mallinckrodt would provide preliminary transaction terms, which would allow the parties to determine the likelihood of reaching a definitive agreement.

On January 29, 2014 and January 30, 2014, Mr. Bailey and the chief executive officer of Company A met in Denver, Colorado to discuss their respective companies and the possibility of a potential business combination between Questcor and Company A.

On January 31, 2014, Mr. Bailey and Mr. Mulroy discussed the meetings in Colorado with representatives of Centerview. Later that day, the Questcor Strategic Advisory Committee held a telephonic meeting, which Mr. Mulroy attended. During that meeting, Messrs. Bailey and Mulroy provided the other members of the Questcor Strategic Advisory Committee with an update on Questcor s senior management s recent discussions with Centerview and the discussions between members of Questcor s senior management and members of senior management of each of Mallinckrodt and Company A. The Questcor Strategic Advisory Committee also analyzed certain potential advantages and disadvantages of Questcor moving forward with a further investigation of each of the various alternatives and noted that the matters would be discussed at the upcoming regularly scheduled meeting of the Questcor board of directors on February 10, 2014. Also at the meeting, Mr. Mulroy advised the members of the Questcor Strategic Advisory Committee of the fiduciary duties of corporate directors in connection with their consideration of strategic transactions.

On February 5, 2014, the Questcor Strategic Advisory Committee held a telephonic meeting, which Mr. Mulroy also attended. The purpose of this meeting was for management to discuss with the Questcor Strategic Advisory Committee a potential analytical framework regarding the preliminary discussions with Mallinckrodt and Company A, for discussion with the full Questcor board of directors at its upcoming regularly

scheduled meeting on February 10, 2014. The Questcor Strategic Advisory Committee discussed the potential advantages and disadvantages of moving forward with either or both of Mallinckrodt or Company A relative to pursuing other strategic alternatives, including continuing to operate as a standalone company, acquiring another business or product, licensing products, various forms of financing and a special dividend in conjunction with a leveraged recapitalization.

On February 10, 2014, the CEO of Company A notified Mr. Bailey that Company A would not be moving forward with its exploration of a possible transaction with Questcor, indicating that the size of a transaction with Questcor was too large for Company A at that time. Questcor had not provided any non-public due diligence information to Company A.

On February 10, 2014 and February 11, 2014, the Questcor board of directors held a regularly scheduled meeting. Representatives of Centerview attended the meeting in person and discussed with the Questcor board of directors an overview of a possible business combination with Mallinckrodt. During the meeting, Messrs. Bailey and Mulroy updated the Questcor board of directors on the status of discussions with Mallinckrodt and Company A. The Questcor board of directors, together with representatives of Centerview and Questcor management, reviewed Questcor s strategic plan and its potential future as a standalone business, noting Questcor s current financial position, and discussed the various risks facing Questcor, including the risks related to its product concentration. The Questcor board of directors, together with representatives of Centerview and Questcor management, also discussed strategies Questcor might pursue as an alternative to pursuing Questcor s standalone business plan or a business combination, including a sale of Questcor, acquiring another business or product, licensing products, various forms of financing and a special dividend in conjunction with a leveraged recapitalization. Mr. Mulroy provided an overview for the members of the Questcor board of directors of their fiduciary duties in connection with their consideration of a potential transaction. The Questcor board of directors directed management to continue discussions with Mallinckrodt to learn more about what Mallinckrodt envisioned in terms of a potential combination.

On February 12, 2014, Mr. Bailey spoke with Mr. Trudeau by telephone and notified Mr. Trudeau of Questcor s desire to continue discussions with Mallinckrodt.

On February 15, 2014, Dr. Phillips emailed Mr. Mulroy a document which set forth a proposed process and timetable for a potential transaction between Mallinckrodt and Questcor.

On February 21, 2014, Mr. Trudeau spoke with Mr. Bailey by telephone and provided Mr. Bailey with Mallinckrodt s preliminary proposal, which included the following material terms:

- The merger consideration would be comprised of cash and Mallinckrodt ordinary shares;
- To try to make the receipt of the stock consideration in the proposed transaction a tax free exchange, the stock consideration would result in Questcor shareholders owning slightly under 50% of the combined company, provided that the exchange ratio might need to imply a slightly lower ownership percentage to account for the vesting and/or exercise of outstanding Questcor stock options;
- Cash consideration of $1.5 billion;

Three or more members of the Questcor board of directors would join the board of directors of the combined company;

Mr. Trudeau would serve as the chief executive officer of the combined company; and

Questcor would be held as a separate business unit within Mallinckrodt with the head of the unit reporting directly to Mr. Trudeau.

Later that day, Mr. Mulroy and Dr. Phillips spoke by telephone and reviewed Mallinckrodt s preliminary proposal and discussed next steps.

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On February 24, 2014, the Questcor Strategic Advisory Committee held a meeting to discuss Mallinckrodt s proposal, which Mr. Mulroy and representatives of Centerview attended. The Questcor Strategic Advisory Committee discussed with Centerview, among other things, a possible business combination with Mallinckrodt. In evaluating Mallinckrodt s proposal, the Questcor Strategic Advisory Committee considered, among other things, the merger consideration to be received by Questcor shareholders, the transaction premium and Questcor s standalone prospects as well as other strategic alternatives that might be available to Questcor. Mr. Mulroy then reviewed for the Questcor Strategic Advisory Committee the delegation of authority to the Questcor Strategic Advisory Committee as set forth in the Questcor Strategic Advisory Committee charter.

On February 27, 2014, the Questcor board of directors held a telephonic meeting, attended by all directors as well as representatives of Latham & Watkins LLP (Latham & Watkins), Questcor s legal advisor, Centerview and Questcor management. Questcor management provided a summary of potential acquisition candidates and other strategic alternatives being considered by Questcor, including continuing to operate as a standalone company, a leveraged recapitalization and a stock repurchase. Discussion ensued regarding the various strategic alternatives available to Questcor. Members of Questcor s senior management and the representatives of Centerview and Latham & Watkins then briefed the Questcor board of directors on the Mallinckrodt proposal. Centerview and Questcor management each discussed a preliminary financial overview of the Mallinckrodt proposal and the Questcor board of directors discussed with Centerview and Questcor management a comparison of the Mallinckrodt proposal to the other strategic alternatives being considered by the Questcor board of directors and how the Mallinckrodt proposal helped to achieve certain strategic objectives of Questcor. Management expressed its views (i) that the increased scale and diversity of the combined company would enhance the combined company s ability to thrive in a changing healthcare environment, (ii) that, as a result of the combined company s diversified product portfolio as compared to Questcor s single product concentration, the combined company s ordinary shares had the potential to trade at multiples to earnings and cash flow that were higher than the multiples to earnings and cash flow at which Questcor s common stock had been trading, and (iii) that the combined company would have a more efficient tax structure than Questcor on a standalone basis. After being briefed by management and Centerview on the Mallinckrodt proposal, the Questcor board of directors discussed the financial and strategic rationale of the proposed transaction and strategies for responding to the Mallinckrodt proposal. The Questcor board of directors was then briefed on its fiduciary duties by representatives of Latham & Watkins, after which the Questcor board of directors unanimously agreed to direct Questcor management to continue discussions with Mallinckrodt. The Questcor board of directors then discussed the advantages and disadvantages of conducting a potential pre-signing market check to assess the interest of potential alternative strategic partners should the proposed transaction with Mallinckrodt continue to move forward. At the conclusion of this discussion, the Questcor board of directors determined to not conduct a pre-signing market check at this time, but to revisit the topic at a subsequent board meeting if the transaction with Mallinckrodt continued to move forward. The Questcor board of directors then determined to formally engage Centerview to act as financial advisor to the Questcor board of directors and to facilitate the strategic transaction process due to Centerview s knowledge and experience in the pharmaceuticals industry, its familiarity with Questcor and its business and Centerview s nationally recognized reputation as a top-tier investment bank. The Questcor board of directors directed the Questcor Strategic Advisory Committee and Questcor management to formally engage Centerview to act as financial advisor to the Questcor board of directors on terms acceptable to the Questcor Strategic Advisory Committee. The Questcor board of directors then discussed the potentially tax free nature of the proposal as it related to the stock component of the merger consideration, other material terms of the Mallinckrodt proposal and the level of due diligence that should be undertaken when evaluating the potential receipt of Mallinckrodt stock as a significant portion of the merger consideration. At the conclusion of the Questcor board discussion, the Questcor board of directors authorized Questcor management to make a counter proposal to Mallinckrodt s management with the following terms:

Tax free stock exchange resulting in Questcor shareholders owning 49.9% of the combined company;

Cash consideration of $2.2 billion; and

Equal representation on the combined company board of directors consisting of seven directors from each of Questcor and Mallinckrodt or, if the former Questcor directors represented less than half of the

combined company board, a Questcor director would become the Chairman of the combined company board.

On February 27, 2014, the Audit Committee (the Mallinckrodt Audit Committee) of the Mallinckrodt board of directors held a telephonic meeting, attended by all members of the Mallinckrodt Audit Committee, as well as an additional Mallinckrodt director, representatives of Wachtell, Lipton, Rosen & Katz (Wachtell Lipton), Mallinckrodt s legal advisor, Barclays and Mallinckrodt management. Mallinckrodt management provided information about Questcor and its business and product, the due diligence activities and findings that had taken place to date, the discussions that had taken place with Questcor to date, and a summary of the potential terms of a transaction with Questcor, including a potential governance structure for the combined company. In addition, Barclays reviewed preliminary financial metrics relating to the potential transaction with Questcor. During and following these presentations, detailed discussions took place regarding these matters.

On February 28, 2014, Mr. Bailey spoke by telephone with Mr. Trudeau and, during their conversation, provided Mr. Trudeau with Questcor s counterproposal authorized by the Questcor board of directors. Mr. Trudeau noted that while the stock ownership split was within an acceptable range, it would be challenging for Mallinckrodt to accept the proposed cash consideration of $2.2 billion due to, among other things, leverage concerns. Mr. Trudeau also noted that he would need to discuss the counterproposal with other members of the Mallinckrodt board of directors and management.

On March 2, 2014, Mr. Mulroy spoke by telephone with Dr. Phillips and discussed the status of negotiations and next steps.

On March 3, 2014, Mr. Bailey and Mr. Trudeau spoke by telephone regarding the status of negotiations. Mr. Trudeau noted that, with respect to the public stock market s valuation of Mallinckrodt s ordinary shares, it was important to consider the fact that Mallinckrodt believed it would outperform current sell-side analyst estimates. Mr. Bailey and Mr. Trudeau then discussed a possible meeting on March 14, 2014 to be attended by them and the chairman of each company. Later that day, Mr. Bailey spoke with Mr. Russell and Mr. Martin, the other members of the Questcor Strategic Advisory Committee, and briefed them on his conversation with Mr. Trudeau.

On March 10, 2014, Mr. Mulroy spoke with Dr. Phillips by telephone. During their conversation, Dr. Phillips indicated that Mallinckrodt was planning on submitting a revised proposal following its board meeting on March 11, 2014.

On March 11, 2014, the Mallinckrodt board of directors held a telephonic meeting, attended by all directors, as well as representatives of Wachtell Lipton, Barclays and Mallinckrodt management. The purpose of the meeting was to discuss Mallinckrodt management s preliminary view of a potential transaction with Questcor and for the Mallinckrodt directors to provide feedback to management regarding potential issues to be addressed during the due diligence process. Mallinckrodt management provided information about Questcor and its business and product, the discussions that had taken place with Questcor to date, and a summary of the potential terms of a transaction with Questcor, including a potential governance structure for the combined company. Mr. Trudeau noted that the transaction, if approved, would be transformational for Mallinckrodt and would advance Mallinckrodt s strategic alternatives. Mallinckrodt management also discussed a financial overview of the combined company, the strategic rationale and financial metrics of the proposed transaction and the due diligence activities and findings that had occurred to date. In addition, Barclays reviewed preliminary financial metrics relating to the potential transaction with Questcor, as well as certain matters relating to the proposed financing for the transaction. During and following these presentations, detailed discussions took place regarding these matters.

Following Mallinckrodt s board meeting, Mallinckrodt management instructed Barclays to present to Questcor and Centerview a revised proposal of $1.65 billion in cash and stock consideration resulting in Questcor shareholders owning 49.0% of the combined company.

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On March 13, 2014, representatives of Barclays spoke with representatives of Centerview by telephone. During their conversation, Barclays communicated Mallinckrodt s revised proposal of $1.65 billion in cash and stock consideration resulting in Questcor shareholders owning 49.0% of the combined company.

Following this conversation, and after discussing the matter with other members of Questcor s senior management and Centerview, Mr. Mulroy called Dr. Phillips to discuss Mallinckrodt s revised proposal. During their phone call, Mr. Mulroy and Dr. Phillips discussed further revised terms, which each would discuss with his respective company s chief executive officer and board of directors, of $1.85 billion in cash and stock consideration resulting in Questcor shareholders owning 49.5% of the combined company.

On March 14, 2014, Mr. Bailey, Mr. Trudeau, Virgil D. Thompson, chairman of the Questcor board of directors, and Melvin D. Booth, chairman of the Mallinckrodt board of directors, met in Phoenix, Arizona. During their meeting, the participants reviewed the status of negotiations, valuation, the potential composition of the combined company s board of directors and other matters. Regarding valuation, the group discussed a pro forma Questcor shareholder ownership range of the combined company of between 49.0% and 49.9%, and a cash range of between $1.8 billion to $1.9 billion. With respect to the combined company s board composition, Mr. Booth and Mr. Trudeau advocated for three Questcor directors joining the combined company board, with Mr. Booth remaining as chairman. The parties did not reach an agreement on any of the terms at this time.

Also, on March 14, 2014, Questcor entered into an engagement letter with Centerview to engage Centerview as Questcor s financial advisor in connection with a potential business combination involving Questcor.

On March 15, 2014, the Questcor board of directors held a telephonic meeting. Various members of Questcor s management and representatives from Centerview and Latham & Watkins were also present. Latham & Watkins discussed with the Questcor board of directors their fiduciary duties in connection with the proposed transaction. Mr. Bailey then provided an overview for the Questcor board of directors of the status of negotiations with Mallinckrodt, including the revised proposal submitted by Mallinckrodt, which after discussion between Questcor and Mallinckrodt management, included cash consideration of between $1.8 billion and $1.9 billion, stock consideration resulting in Questcor s shareholders owning 49.0% to 49.9% of the combined company and three current Questcor directors being appointed to the combined company board. Mr. Bailey also noted that Questcor had not received any additional unsolicited proposals from third parties. Detailed discussions ensued regarding the proposed transaction terms. Mr. Bailey then provided the Questcor board of directors with a summary of the due diligence that had been performed by each party to date and the parties plans for further diligence. Following discussion, Centerview discussed a financial overview of Mallinckrodt s revised proposal. Discussion ensued regarding Questcor s standalone prospects and the financial and strategic rationale for an acquisition of Questcor. At the conclusion of the discussion, the Questcor board of directors directed the management team to continue negotiations with Mallinckrodt regarding the allocation of stock and cash consideration that would be paid to Questcor s shareholders by proposing that Questcor shareholders should receive $1.85 billion in cash and stock consideration resulting in Questcor shareholders owning 49.5% of the combined company. The Questcor board of directors also directed the management team to continue negotiations regarding the composition of the board of directors of the combined company and to continue with detailed due diligence on Mallinckrodt.

The Questcor board of directors then discussed whether or not to conduct a pre-signing market check. During this discussion, the Questcor board of directors noted that Questcor had recently publicly announced its intention to consider strategic alternatives, including its announcement of the creation of the Strategic Advisory Committee to look at strategic alternatives, and had received interest only from Mallinckrodt and Company A. The Questcor board considered the advantages of conducting a pre-signing market check, including, among others, the potential to assist the Questcor board of directors to obtain a higher value transaction and negotiate more favorable terms if there was

more than one bid. The Questcor board of directors also considered the disadvantages of conducting a pre-signing market check, including, among others, that it would increase the risk

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of leaks, it could result in Mallinckrodt withdrawing or reducing its bid, it would create additional work force disruption which could negatively impact sales and progress on other key operating performance metrics and it would delay the timing of, and thereby increase the execution risks of, a transaction with Mallinckrodt. The Questcor board of directors also considered the fact that the companies outlined by Centerview as potential candidates to whom Questcor could reach out regarding a possible strategic transaction, for various reasons, were unlikely to engage in serious discussions regarding a potential transaction and that Questcor had already signaled to the market its willingness to consider a strategic transaction and had not received any indications of interest from third parties other than Mallinckrodt and Company A. At the conclusion of the discussion, the Questcor board of directors determined that a pre-signing market check would not be in the best interest of Questcor or its shareholders at that time as the potential benefits were outweighed by the risk of compromising the proposed Mallinckrodt transaction.

On March 16, 2014, Mr. Bailey and Mr. Thompson called Mr. Trudeau and Mr. Booth and provided them with an update on Questcor s board meeting. During this conversation, Mr. Thompson indicated that the board could support the following deal terms, subject to ongoing due diligence, the negotiation of a definitive merger agreement, Mallinckrodt s securing committed financing in advance of entering into an agreement and other matters:

49.5% ownership of the combined company by Questcor shareholders in a tax free share exchange;

$1.85 billion in cash; and

Three board seats on the combined company board for current Questcor directors.

On March 20, 2014, Latham & Watkins discussed the potential transaction with Wachtell Lipton, during which call the representatives of Wachtell Lipton noted various challenges to making the receipt of the stock component of the merger consideration potentially tax free to Questcor s shareholders, including increased financing and other costs which would result in reduced earnings for the combined company and the possibility that the transaction may not be able to qualify for tax-free treatment.

On March 20, 2014 and March 21, 2014, the Mallinckrodt board of directors held a meeting, attended by all directors, as well as representatives of Wachtell Lipton, Barclays and Mallinckrodt management. Mallinckrodt management provided an update on negotiations with Questcor regarding deal terms and reported that, subject to completion of satisfactory due diligence and other matters, the Mallinckrodt management team and the Questcor management team were prepared to support the valuation and governance structure discussed by Messrs. Bailey, Thompson, Trudeau and Booth on March 16, 2014, the details of which were provided to the Mallinckrodt board of directors. Mallinckrodt management also provided a financial overview of the combined company, the strategic rationale and financial metrics of the proposed transaction and the due diligence activities and findings that had occurred to date. In addition, Barclays reviewed financial projections prepared by Mallinckrodt and the Questcor projections received by Mallinckrodt, and presented a preliminary financial analysis of the potential transaction with Questcor, as well as certain matters relating to financing for the transaction, including sources and uses, net leverage and key next steps to obtain the requisite financing. During and following these presentations, detailed discussions occurred regarding these matters. At the conclusion of the meeting, the Mallinckrodt board of directors, subject to certain limitations, approved Mallinckrodt s potential acquisition of Questcor and delegated to the Mallinckrodt Audit Committee the full authority and power of the Mallinckrodt board of directors to take any and all actions which the Mallinckrodt board of directors could take to authorize Mallinckrodt and/or any of its subsidiaries to enter into and consummate such acquisition (including any related financing arrangements).

On March 24, 2014, Wachtell Lipton sent to Latham & Watkins an initial draft of the proposed merger agreement. Among other things, the draft agreement included restrictions on Questcor s ability to pay dividends during the period between signing and closing, reciprocal termination fees (with the fees to be measured by reference to the transaction value if payable by Questcor or Mallinckrodt s market capitalization if payable by Mallinckrodt), a force-the-vote provision prohibiting either party from terminating the merger agreement to

enter into an alternative superior transaction and a financing marketing period that could delay the closing in certain circumstances. In addition, the draft agreement contemplated that the stock consideration would be taxable to Questcor shareholders.

On March 27, 2014, Mr. Mulroy spoke with Dr. Phillips by telephone. During their conversation, Dr. Phillips informed Mr. Mulroy that Mallinckrodt was unable to structure the transaction in a manner that may result in tax free treatment to Questcor s shareholders with respect to the receipt of the stock component of the merger consideration without incurring significant additional financing and other costs.

Centerview and Barclays also spoke on March 27, 2014 regarding the potential increased financing and other costs associated with the transaction being structured to potentially result in a tax free exchange with respect to the stock component of the merger consideration. Centerview and Barclays discussed potential costs to the Questcor shareholders in not structuring the stock component portion of the merger consideration to potentially result in a tax free exchange.

Also, on March 27, 2014, a representative of an investment bank (Banker B) left a voicemail for Mr. Asarpota in an attempt to set up a meeting between Mr. Bailey and the chief executive officer of another pharmaceutical company (Company B). Mr. Asarpota did not return the voicemail, but informed Mr. Bailey and Mr. Mulroy of its substance.

On March 28, 2014, the Questcor board of directors held a telephonic meeting. Members of Questcor s management team and representatives of Latham & Watkins and Centerview also attended. Questcor management reviewed with the Questcor board of directors its financial projections for Questcor and the projections received by Mallinckrodt. Centerview discussed an updated financial overview of the merger consideration of the proposed transaction. The Questcor board of directors discussed the merger consideration to be received by Questcor shareholders, the lack of a financing contingency and Questcor s standalone prospects. Questcor management discussed an update on the due diligence performed on Mallinckrodt to date. Latham & Watkins reviewed the material terms of the draft merger agreement, which had been provided to the members of the Questcor board of directors in advance of the meeting. Detailed discussion ensued regarding the proposed transaction terms, with the focus being on provisions relating to the marketing period, deal certainty and the taxable nature of the merger consideration to Questcor shareholders. The Questcor board of directors directed Questcor management and Centerview to negotiate for increased consideration in exchange for moving away from a potentially tax-free structure or return to a potentially tax-free structure. Mr. Bailey then provided the Questcor board of directors with an update on the voicemail Mr. Asarpota received from Banker B. A discussion ensued regarding the advantages and disadvantages of engaging in discussions with Company B. Following the discussion, the Questcor board of directors agreed that the probability of such discussions resulting in a better transaction for Questcor shareholders was low, that any such opportunity was very unlikely to materialize soon enough to present an alternative to the present opportunity with Mallinckrodt, and that any party, including Company B, could present a competitive proposal on an unsolicited basis following the announcement of a business combination with Mallinckrodt. At the conclusion of the discussion, the Questcor board of directors determined that pursuing discussions Company B would not be in the best interest of Questcor or its shareholders at that time as the potential benefits were outweighed by the risk of jeopardizing the proposed Mallinckrodt transaction.

On March 30, 2014, Mr. Bailey and Mr. Trudeau spoke by phone. Mr. Trudeau discussed the transaction structure, including the incremental financing and other costs associated with making the stock component of the merger consideration potentially tax free to Questcor shareholders. Mr. Bailey discussed with Mr. Trudeau Questcor s view that Mallinckrodt would need to either increase the merger consideration or maintain a potentially tax-free transaction structure with respect to the receipt of the stock portion of the merger consideration.

On March 31, 2014, representatives of Latham & Watkins contacted Wachtell Lipton to provide comments on the draft merger agreement. Among other things, Latham & Watkins stressed to Wachtell Lipton the desire of

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Questcor to be able to terminate the merger agreement to accept an unsolicited superior proposal, the desire of Questcor to be able to pay quarterly dividends between signing and closing, Questcor s objections to a financing marketing period that could delay closing of the merger and the size of the termination fee. After this discussion, Latham & Watkins sent to Wachtell Lipton a revised draft of the merger agreement.

Throughout the next several days, negotiations with respect to the merger agreement continued, including with respect to deal protection provisions, Mallinckrodt s request for a financing marketing period, the size of the termination fee and the restrictions on Questcor s and Mallinckrodt s respective businesses between signing and closing, and the treatment of vested and unvested equity awards at closing.

On April 2, 2014, Questcor management and Mallinckrodt management and their respective financial advisors held a series of negotiation sessions which focused on various matters relating to the proposed transaction, including whether the transaction would be structured so that the stock consideration would be potentially tax free, the costs associated with potentially tax free and taxable structures, and the other major outstanding issues in the proposed draft of the merger agreement.

On April 3, 2014, representatives from Centerview and Barclays spoke by telephone and, during their conversation, as instructed by Mallinckrodt management, Barclays delivered a revised proposal from Mallinckrodt, which included the following material terms:

- Questcor could pay up to two dividends between signing and closing not to exceed $0.30 per share per dividend (approximately $36 million in the aggregate);
- Cash consideration of $1.875 billion;
- 49.5% ownership of the combined company by Questcor shareholders in a taxable exchange;
- Transaction would be structured in a manner that the receipt of the entire merger consideration would be a taxable event for Questcor shareholders;
- A five business day marketing period that begins on the date of Questcor s shareholder meeting to approve the transaction;
- A reciprocal break-up fee at 3.5%;
- A reciprocal obligation to submit the transaction to a vote of shareholders even if an unsolicited superior proposal is received; and
- Three Questcor directors would serve on the board of directors of the combined company.

On April 4, 2014, after several discussions between the parties and their respective advisors regarding Mallinckrodt s revised proposal, the parties were ready to move forward on agreed-upon terms, subject to approval by the Questcor board of directors and the Mallinckrodt Audit Committee.

On April 4, 2014, Banker B left a voicemail for Mr. Asarpota a second time in an attempt to set up a meeting between Mr. Bailey and the chief executive officer of Company B. Mr. Asarpota did not return the voicemail, but informed Mr. Bailey and Mr. Mulroy of its substance.

On April 5, 2014, the Questcor board of directors held a meeting, with all directors participating telephonically. The Questcor board of directors was joined at the meeting by members of management as well as representatives of Centerview and Latham & Watkins. Mr. Bailey reviewed the revised Mallinckrodt proposal. A discussion ensued regarding the revised Mallinckrodt proposal which included a discussion of the implied value of the merger consideration to be received by Questcor s shareholders, the lack of a financing contingency, and Questcor s standalone prospects. Mr. Bailey then briefed the Questcor board of directors on the April 4 voicemail received from Banker B regarding a potential meeting of the chief executive officer of Company B with Mr. Bailey. A discussion ensued during which the Questcor board of directors considered the fact that such a meeting would delay and potentially jeopardize the proposed transaction with Mallinckrodt, that the probability

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of such discussions resulting in a better transaction for Questcor shareholders was low, that pursuing another indication of interest would create additional work force disruption, and that any party, including Company B, could present a competitive proposal on an unsolicited basis following the announcement of the proposed merger with Mallinckrodt. Following the discussion, the Questcor board of directors determined that pursuing discussions with Company B would not be in the best interest of Questcor or its shareholders at that time as the potential benefits were outweighed by the risk of compromising the proposed Mallinckrodt transaction.

At the Questcor board of directors meeting on April 5, 2014, Latham & Watkins discussed with the Questcor board of directors their fiduciary duties in connection with the proposed transaction. Latham & Watkins also discussed with the Questcor board of directors various legal matters relevant to its consideration of the proposed merger agreement. Questcor management provided the Questcor Board of directors with the results of the extensive due diligence on Mallinckrodt that had been conducted to date. Questcor management also presented various financial analyses of Mallinckrodt. Centerview reviewed for the Questcor board of directors its financial analysis of the combined per share merger consideration and rendered to the Questcor board of directors its oral opinion, confirmed by delivery of a written opinion dated April 5, 2014, to the effect that as of that date and based upon and subject to the various assumptions, matters considered and limitations and qualifications described in its opinion, the combined per share consideration proposed to be paid to holders of shares of Questcor common stock (other than excluded shares) pursuant to the merger was fair, from a financial point of view, to such holders. Centerview s opinion is more fully described below under the caption *The Merger Opinion of Questcor s Financial Advisor* beginning on page 124 of this joint proxy statement/prospectus and the full text of the written opinion of Centerview, which sets forth the assumptions and qualifications in such opinion, is attached as Annex C hereto. Following these presentations and discussions, the Questcor board of directors unanimously determined that the Merger Agreement is advisable and fair to, and in the best interests of, Questcor shareholders, and approved the Merger Agreement.

Also on April 5, 2014, the Mallinckrodt Audit Committee met telephonically with representatives of Barclays, Wachtell Lipton and Mallinckrodt s management. Mallinckrodt s management discussed with the Mallinckrodt Audit Committee the results of the extensive due diligence on Questcor that had been conducted to date and their financial analysis of the proposed transaction. Barclays presented to the Mallinckrodt Audit Committee its financial analysis of the proposed transaction and rendered an oral opinion, confirmed by delivery of a written opinion dated April 5, 2014, to the effect that as of that date and based upon and subject to the various assumptions, matters considered and limitations and qualifications described in its opinion, the merger consideration to be paid Mallinckrodt pursuant to the merger was fair, from a financial point of view, to Mallinckrodt. Barclays s opinion is more fully described below under the caption *The Merger Opinion of Mallinckrodt s Financial Advisor* beginning on page 113 of this joint proxy statement/prospectus and the full text of the written opinion of Barclays, which sets forth the assumptions, qualifications and limitations in such opinion, is attached as Annex B hereto. Following these presentations and discussions, the Mallinckrodt Audit Committee unanimously approved the Merger Agreement and the related financing transactions and other related matters.

Questcor and Mallinckrodt executed the Merger Agreement on April 5, 2014. The execution of the Merger Agreement was publicly announced on the morning of April 7, 2014.

Recommendation of the Mallinckrodt Board of Directors and Mallinckrodt s Reasons for the Merger

The Mallinckrodt board of directors unanimously recommends that you vote FOR the Mallinckrodt Share Issuance Proposal.

The Mallinckrodt board of directors considered many factors in making its determination that the Merger Agreement, the Mallinckrodt Share Issuance Proposal and other transactions contemplated by the Merger Agreement are fair to

and in the best interests of Mallinckrodt and its shareholders. In arriving at its determination, the Mallinckrodt board of directors consulted with Mallinckrodt s management, legal advisors,

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financial advisors and other representatives, reviewed a significant amount of information, considered a number of factors in its deliberations and concluded that the Merger is likely to result in significant strategic and financial benefits to Mallinckrodt and its shareholders, including (not in any relative order of importance):

Strategic and Financial Considerations

- The expectation that the combination of Mallinckrodt and Questcor would create an increasingly diversified, high-growth specialty pharmaceuticals company with significantly increased scale, revenues, profitability and cash flow, creating a strong platform to deliver sustainable growth and substantial value for shareholders of the combined company, and adding a strong product and new therapeutic areas to Mallinckrodt s growing portfolio;

- Consistent with Mallinckrodt s stated strategy to become a top quartile specialty pharmaceutical company, the expectation that approximately 70% of the projected fiscal year 2014 revenues of the combined company, assuming both the Cadence acquisition and the Questcor acquisition occurred at the beginning of fiscal year 2014, will come from branded and specialty generic pharmaceutical products as well as active pharmaceutical ingredients, which also leverages Mallinckrodt s core competency of managing controlled substances;

- The expectation that the combined company would have an enhanced credit profile with increased earnings and cash flow and better access to capital markets as a result of enhanced size and business diversification, and that the combined company will be well positioned to decrease its leverage over time;

- The expectation that the combination will create substantial incremental efficiency and growth opportunities;

- The expectation that the combination will be immediately accretive to Mallinckrodt s fiscal year 2014 adjusted diluted earnings per share, and significantly accretive to Mallinckrodt s fiscal year 2015 adjusted diluted earnings per share; and

- The expectation that the combined company s earnings profile will be enhanced from sustainable cost and tax synergies beginning in fiscal year 2014.

Merger Agreement

- The view that the terms and conditions of the Merger Agreement and the transactions contemplated therein, including the representations, warranties, covenants, closing conditions and termination provisions, are comprehensive and favorable to completing the proposed transaction;

The expectation that the satisfaction of the conditions to completion of the transactions contemplated by the Merger Agreement is feasible in the third calendar quarter of 2014; and

The Merger Agreement contains prohibitions on Questcor seeking a superior proposal and requires Questcor to pay Mallinckrodt a termination fee of (i) $194,470,000 if Mallinckrodt or Questcor terminates the Merger Agreement under certain circumstances and Questcor consummates or enters into an agreement with respect to a competing acquisition proposal within a certain time period and (ii) $55,560,000 if Mallinckrodt or Questcor terminates the Merger Agreement because the Merger Proposal is not approved by the Questcor shareholders at Questcor s special meeting or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken.

Implied Ownership

That existing Mallinckrodt shareholders and Questcor shareholders are expected to hold approximately 50.5% and 49.5%, respectively, of the Mallinckrodt ordinary shares after completion of the combination (calculated on a fully diluted basis using the treasury stock method).

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Opinion of Financial Advisor

The opinion of Barclays rendered orally on April 5, 2014 and subsequently confirmed in writing on the same date to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Merger Consideration, which consists of: (i) $30.00 in cash and (ii) 0.897 Mallinckrodt ordinary shares, to be paid by Mallinckrodt in the Merger, is fair, from a financial point of view, to Mallinckrodt.

Due Diligence

The scope of the due diligence investigation of Questcor conducted by Mallinckrodt management and outside advisors and consultants (which included in-depth reviews of organizational, operational, financial, commercial, regulatory, legal, employee and other matters), and the results of that investigation.

Recommendation by Mallinckrodt Management

Mallinckrodt management s recommendation in favor of Merger.

Governance

That the combined company would be led by Mark Trudeau, the current CEO of Mallinckrodt, and that Questcor s commercial operations will function as a separate business unit within Mallinckrodt s Specialty Pharmaceuticals segment reporting directly to Mr. Trudeau;

That Melvin D. Booth, the current Chairman of Mallinckrodt s board of directors, will continue in that role after the transaction is completed; and

That Mallinckrodt s board of directors will be increased to twelve members, with the addition of three directors from Questcor. The three directors will be Mr. Bailey and two current, independent directors of Questcor: Angus C. Russell and Virgil D. Thompson.

Familiarity with Industry and Businesses

The Mallinckrodt board of directors knowledge of the current and expected future state of the pharmaceutical industry and the expectation that the combined company would be better able to succeed in the pharmaceutical industry if the expected benefits of the combination were fully realized.

The Mallinckrodt board of directors knowledge of Mallinckrodt s and Questcor s businesses, historical financial performance and condition, operations, properties, assets, regulatory issues, competitive positions,

prospects and management, as well as its knowledge of the current and prospective environment in which Mallinckrodt and Questcor operate.

The Mallinckrodt board of directors also considered a variety of uncertainties and risks and other potentially negative factors concerning the Merger Agreement and the Merger, including the following (not in any relative order of importance):

The risk that the Merger might not be completed in a timely manner or at all and the attendant adverse consequences for Mallinckrodt s and Questcor s businesses as a result of the pendency of the combination and operational disruption;

The risk that Questcor shareholders might fail to approve the Merger Proposal and/or Mallinckrodt shareholders fail to approve the Mallinckrodt Share Issuance Proposal;

The risk of adverse events, including outcomes of pending or threatened litigation or government investigations with respect to Questcor, and the possibility that such events, including an adverse judgment for monetary damages or equitable or other restrictions, could materially and adversely

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effect the business, operations or financial condition of Questcor (which may not entitle Mallinckrodt to terminate the Merger Agreement), or of the combined company after the Merger;

The restrictions on the conduct of Mallinckrodt s business prior to the completion of the combination (see *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 164 of this joint proxy statement/prospectus);

The requirement that Mallinckrodt pay Questcor a termination fee of either $131,450,000 or $37,560,000 under certain circumstances following the termination of the Merger Agreement and that while the Mallinckrodt board of directors may change its recommendation, it cannot terminate the Merger Agreement for a superior proposal (see *The Merger Agreement Termination of the Merger Agreement; Termination Fees* beginning on page 166 of this joint proxy statement/prospectus);

The risk that the potential benefits, savings and synergies of the combination may not be fully or partially achieved, or may not be achieved within the expected timeframe;

The challenges and difficulties relating to potential disruption associated with integrating the operations of Mallinckrodt and Questcor, and the potential effects of such disruption on the businesses and customer relationships of Mallinckrodt and Questcor;

The risk of diverting Mallinckrodt management focus and resources from other strategic opportunities and from operational matters while working to implement the transaction with Questcor, and the potential effects of such diversion on the businesses and customer relationships of Mallinckrodt and Questcor;

The risk that because the exchange ratio related to the stock portion of the Merger Consideration to be paid to Questcor shareholders is fixed, the value of the stock portion of the Merger Consideration to be paid by Mallinckrodt could increase between the signing of the Merger Agreement and the completion of the transactions contemplated by the Merger Agreement;

The possibility that the combined company could have lower revenue and growth rates than each of the companies experienced historically;

The effects of general competitive, economic, political and market conditions and fluctuations on Mallinckrodt, Questcor or the combined company; and

Various other risks associated with the combination and the businesses of Mallinckrodt, Questcor and the combined company, which are described under the sections entitled *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements* beginning on pages 27 and 78, respectively, of this joint proxy statement/prospectus.

The Mallinckrodt board of directors concluded that the potentially negative factors associated with the combination were outweighed by the potential benefits that it expected Mallinckrodt and its shareholders to achieve as a result of the combination. Accordingly, the Mallinckrodt board of directors approved the Merger Agreement and the transactions contemplated by the Merger Agreement.

The foregoing discussion of the information and factors considered by the Mallinckrodt board of directors is not intended to be exhaustive, but includes the material factors considered by the Mallinckrodt board of directors. In view of the variety of factors considered in connection with its evaluation of the combination, the Mallinckrodt board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The Mallinckrodt board of directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Mallinckrodt board of directors based its determination and recommendation on the totality of the information presented. The explanation of the Mallinckrodt board of directors reasons for the proposed transaction and all other information presented in this section is forward-looking in nature and therefore should be read in light of the factors discussed under *Cautionary Statement Regarding Forward-Looking Statements* beginning on page 78 of this joint proxy statement/prospectus.

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For the reasons set forth above and such other factors considered by the Mallinckrodt board of directors, the Mallinckrodt board of directors determined that the combination and the transactions contemplated by the Merger Agreement are consistent with, and will further, the business strategies and goals of Mallinckrodt, and are in the best interests of Mallinckrodt and the Mallinckrodt shareholders and has approved the Merger Agreement and the transactions contemplated thereby and recommends that Mallinckrodt shareholders vote **FOR** the Mallinckrodt Share Issuance Proposal.

Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger

At its meeting on April 5, 2014, the Questcor board of directors unanimously approved the Merger Agreement and determined that the terms of the Merger are advisable, fair to and in the best interests of Questcor s shareholders. **The Questcor board of directors unanimously recommends that the shareholders of Questcor vote FOR the approval and adoption of the Merger Agreement and the approval of the transactions contemplated by the Merger Agreement, including the Merger and FOR the other resolutions at the Questcor special meeting.**

The Questcor board of directors considered many factors in making its determination that the terms of the Merger are advisable, fair to and in the best interests of Questcor s shareholders and to unanimously recommend approval and adoption of the Merger Agreement by the Questcor shareholders. In arriving at its determination, the board of directors consulted with Questcor s management, legal advisors, financial advisors and other representatives, reviewed a significant amount of information and considered a number of factors in its deliberations.

Strategic and Financial Benefits of the Merger

The Questcor board of directors concluded that the Merger will provide Questcor with a number of significant strategic and financial benefits. In arriving at this determination, the Questcor board of directors considered a number of factors, including (not in any relative order of importance):

- that the Merger Consideration, payable in a highly liquid stock and cash, had an implied value per Questcor share of $86.10, based on the closing price of Mallinckrodt ordinary shares as of April 4, 2014 (the last trading day prior to announcement of the transaction, although Mallinckrodt s share price will continue to fluctuate), which represented a premium to Questcor s all-time high stock price and, as of the close of trading on April 4, 2014, represented a premium of approximately 27% over Questcor s stock price and a premium of approximately 33% over Questcor s trailing 20-day volume-weighted average stock price;

- that the mixed equity and cash nature of the Merger Consideration offers Questcor shareholders the opportunity to participate in the future earnings and growth of the combined company, while also providing the shareholders with a substantial cash payout of $30.00 per share;

- the board of directors belief that the Merger would create an increasingly diversified, high-growth specialty pharmaceuticals company with significantly increased scale, revenues, profitability and cash flow which would provide a strong platform to support the expansion of Acthar into new therapeutic areas;

the board of directors belief that the Merger would provide Questcor with diversification, solid financial and operating leverage, a favorable tax structure and an extensive pipeline consisting of both line extensions and new business opportunities;

the board of directors belief that the Merger will result in a combined company with an enhanced earnings profile from sustainable cost and tax synergies;

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the board of directors belief that the Merger would continue to support Questcor s ability to effectively manufacture and distribute Acthar for the treatment of a variety of difficult-to-treat autoimmune and inflammatory disorders. In particular, the Questcor board of directors believed that:

Mallinckrodt s considerable experience in controlled substances and nuclear medicine and resulting expertise in managing medicines in highly regulated, complex therapeutic areas makes them a good partner to support the continued growth of Acthar in the highly specialized markets that Questcor serves; and

the combined company will have a significant established presence with prescribers, payers and hospitals, and strong portfolios in pain management, as well as in the treatment of central nervous system, kidney, rheumatologic and other autoimmune and inflammatory disorders;

the combined company will be more diversified with several hard-to-manufacture specialty pharmaceutical products;

the board of directors belief that the combined company would have increased earnings and cash flow and better access to capital markets as a result of enhanced size and therapeutics line diversification;

information and discussions with Questcor s management regarding Mallinckrodt s business and results of operations, and its financial and market position, and Questcor s management s expectations concerning Mallinckrodt s future prospects, and historical and current share trading prices and volumes of Mallinckrodt shares;

information and discussions regarding the benefits of size and scale, and expected credit profile and effective tax rate, of the combined company and the expected pro forma effect of the proposed transaction; and

the current and expected future landscape of the pharmaceutical industry, and, in light of the regulatory, financial and competitive challenges facing industry participants, the likelihood that the combined company would be better positioned to meet these challenges if the expected strategic and financial benefits of the transaction were fully realized.

Other Considerations

In the course of reaching its decision to approve the Merger Agreement, the Questcor board of directors considered the following additional factors as generally supporting its decision:

that the fixed exchange ratio provides certainty to the Questcor shareholders as to their approximate aggregate pro forma percentage ownership of the combined company;

the Questcor board of directors consideration of potential alternative transactions and its view, in consultation with its legal and financial advisors, that it was not probable that any alternative transaction reasonably available to Questcor within a reasonable timeframe would generate value to the Questcor shareholders in excess of the value from the Merger, and that the Merger Agreement provided sufficient flexibility for the Questcor board of directors to change its recommendation and for shareholders to turn down the Merger in the case of a superior proposal;

the likelihood that the Merger will be consummated, based on, among other things: (1) the closing conditions to the Merger, including the fact that the obligations of Mallinckrodt are not subject to a financing condition (and the views of Questcor s management and its financial advisors as to the likelihood that Mallinckrodt will be able to obtain the necessary financing, particularly in view of the cash on hand and the debt financing commitments entered into by Mallinckrodt International Finance SA with Barclays Bank) and (2) the commitment made by Mallinckrodt to Questcor to use reasonable best efforts to obtain regulatory clearances, including under the HSR Act, including the commitment to divest assets or commit to limitations on the businesses of Questcor or Mallinckrodt to the extent provided in the Merger Agreement, as discussed further under *The Merger Agreement* beginning on page 146 of this joint proxy statement/prospectus;

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the terms and conditions of the Merger Agreement and the course of negotiations of such agreement, including, among other things:

- the ability of Questcor, subject to certain conditions, to provide information to and to engage in discussions or negotiations with a third party that makes an unsolicited acquisition proposal, and the Questcor board of directors ability to change its recommendation, if the Questcor board of directors determines, in good faith, after consultation with its financial advisors and outside legal counsel, that the proposal would reasonably be expected to result in a superior proposal;

- the Questcor board of directors belief that the termination fee payments to be made to Mallinckrodt upon termination of the Merger Agreement under specified circumstances are reasonable, customary and not likely to significantly deter another party from making a superior proposal; and

- the requirement that Mallinckrodt hold a shareholder vote on the Merger Agreement, even though the Mallinckrodt board of directors may have withdrawn its recommendation, and the inability of Mallinckrodt to terminate the Merger Agreement to enter into an agreement providing for a superior proposal for Mallinckrodt;

Questcor management s support of the transaction;

the opinion of Centerview, dated April 5, 2014, as to the fairness, from a financial point of view, to holders of Questcor common stock (other than the excluded shares) of the combined per share consideration proposed to be paid to such holders pursuant to the Merger Agreement, noting in its consideration that the opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Centerview as more fully described under the caption *Opinion of Questcor s Financial Advisor* beginning on page 124 of this joint proxy statement/prospectus;

the expected percentage ownership interests and voting power of the Questcor shareholders following completion of the Merger;

the required regulatory approval and the views of Questcor s advisors that such approval will be obtained without the imposition of conditions sufficiently material to preclude the Merger;

the fact that three of Questcor s current directors, Don M. Bailey, Angus C. Russell and Virgil D. Thompson, will become members of the board of directors of Mallinckrodt and the possibility that certain senior Questcor executives may also join Mallinckrodt as senior executives following completion of the Merger; and

the scope and results of Questcor s due diligence investigation, which included reviews of organizational, operational, financial, commercial, regulatory, legal, employee and other matters related to Mallinckrodt s business and potential financial, operational and other impacts of the Merger on Questcor.

The Questcor board of directors weighed these factors against a number of uncertainties, risks and potentially negative factors relevant to the transaction, including the following:

the fixed exchange ratio will not adjust to compensate for changes in the price of shares of Questcor common stock or Mallinckrodt ordinary shares prior to the consummation of the transaction, and the terms of the Merger Agreement do not include termination rights triggered by a decrease in the value of Mallinckrodt relative to the value of Questcor;

the restrictions on Questcor s operations until completion of the transaction, which could have the effect of preventing Questcor from pursuing other strategic transactions during the pendency of the Merger as well as taking a number of other actions relating to the conduct of its business without the prior consent of Mallinckrodt;

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the adverse impact that business uncertainty pending completion of the transaction could have on the ability to attract, retain and motivate key personnel until the consummation of the transaction;

the risk of the provisions in the Merger Agreement relating to the potential payment of a termination fee of approximately $194.5 million under certain circumstances specified in the Merger Agreement or approximately $55.6 million if the Merger Agreement is terminated as a result of the Questcor shareholders not approving the Merger;

that the Merger Consideration would be taxable to Questcor shareholders;

the challenges inherent in the combination of two business enterprises of the size and scope of Questcor and Mallinckrodt, including the possibility that the anticipated cost savings and synergies and other benefits sought to be obtained from the transactions might not be achieved in the time frame contemplated or at all, or the other numerous risks and uncertainties that could adversely affect the combined company s operating results;

the risk that the transaction might not be consummated in a timely manner or at all;

that failure to complete the transaction could cause Questcor to incur significant fees and expenses and could lead to negative perceptions among investors, potential investors and customers;

the inability of Questcor to terminate the Merger Agreement to enter into an agreement providing for a superior proposal and the requirement that Questcor hold a shareholder vote on the Merger Agreement, even though the board of directors may have withdrawn its recommendation;

the risks associated with satisfying the condition relating to clearance under the HSR Act, and the possibility of delay;

the failure of Questcor shareholders to approve the Merger Agreement or Mallinckrodt shareholders to approve the share issuance; and

the risks of the type and nature described under the sections entitled *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements* beginning on pages 27 and 78, respectively, of this joint proxy statement/prospectus.

The Questcor board of directors concluded that the uncertainties, risks and potentially negative factors relevant to the transaction were outweighed by the potential benefits that it expected Questcor and the Questcor shareholders would achieve as a result of the transaction.

This discussion of the information and factors considered by the Questcor board of directors includes the principal positive and negative factors considered by the Questcor board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Questcor board of directors. In view of the wide variety of factors considered in connection with its evaluation of the transaction, and the complexity of these matters, the Questcor board of directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the transaction and to make its recommendations to the Questcor shareholders. Rather, the Questcor board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered. In addition, individual members of the Questcor board of directors may have given differing weights to different factors.

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Opinion of Mallinckrodt s Financial Advisor

Mallinckrodt engaged Barclays to act as its financial advisor with respect to the acquisition of Questcor. On April 5, 2014, Barclays rendered its oral opinion (which was subsequently confirmed in writing on the same date) to the Mallinckrodt board of directors, to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Merger Consideration, which consists of: (i) $30.00 in cash and (ii) 0.897 Mallinckrodt ordinary shares, to be paid by Mallinckrodt in the Merger, is fair, from a financial point of view, to Mallinckrodt.

The full text of Barclays written opinion, dated as of April 5, 2014, is attached as Annex B to this joint proxy statement/prospectus and incorporated herein by reference. Barclays written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays opinion, the issuance of which was approved by Barclays Valuation and Fairness Opinion Committee, is addressed to the Mallinckrodt board of directors and addresses only the fairness, from a financial point of view, to Mallinckrodt of the Merger Consideration to be paid by Mallinckrodt and does not constitute a recommendation to any shareholder of Mallinckrodt as to how such shareholder should vote or act with respect to the proposed transaction or any other matter. The terms of the proposed transaction were determined through arm s-length negotiations between Mallinckrodt and Questcor and were unanimously approved by the Mallinckrodt board of directors. Barclays was not requested to address, and its opinion does not in any manner address, Mallinckrodt s underlying business decision to proceed with or effect the proposed transaction or the likelihood of consummation of the proposed transaction. The opinion does not address the relative merits of the proposed transaction as compared to any other transaction or business strategy in which Mallinckrodt might engage. In addition, Barclays expressed no opinion on, and it s opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the proposed transaction, or any class of such persons, relative to the Merger Consideration to be paid in the proposed transaction or otherwise. No limitations were imposed by the Mallinckrodt board of directors upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays, among other things:

- reviewed and analyzed the Merger Agreement and the specific terms of the proposed transaction;
- reviewed and analyzed publicly available information concerning Mallinckrodt that Barclays believed to be relevant to its analysis, including Mallinckrodt s Annual Report on Form 10-K for the fiscal year ended September 27, 2013 and Quarterly Report on Form 10-Q for the fiscal quarter ended December 27, 2013;
- reviewed and analyzed publicly available information concerning Questcor that Barclays believed to be relevant to its analysis, including Questcor s Annual Report on Form 10-K for the fiscal year ended December 31, 2013;

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Mallinckrodt furnished to Barclays by Mallinckrodt, including financial projections prepared by Mallinckrodt s management, referred to in this section Opinion of Mallinckrodt s Financial Advisor as the Mallinckrodt Projections ;

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Questcor furnished to Barclays by Mallinckrodt, including financial projections prepared by Questcor s management, referred to in this section Opinion of Mallinckrodt s Financial Advisor as the Questcor Projections ;

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reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Questcor furnished to Barclays by Mallinckrodt, including financial projections prepared by Mallinckrodt s management, referred to in this section Opinion of Mallinckrodt s Financial Advisor as Mallinckrodt s Questcor Projections ;

reviewed and analyzed a trading history of Mallinckrodt Ordinary Shares from June 17, 2013 to April 4, 2014 and a comparison of such trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a trading history of Questcor Common Stock from April 4, 2013 to April 4, 2014 and a comparison of such trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the historical financial results and present financial condition of Mallinckrodt and Questcor with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the financial terms of the proposed transaction with the financial terms of certain other recent transactions that Barclays deemed relevant;

reviewed and analyzed the pro forma impact of the proposed transaction on the future financial performance of the combined company, including operating synergies and other strategic and tax benefits expected by Mallinckrodt s management to result from a combination of the businesses, referred to in this joint proxy statement/prospectus as the Expected Benefits ;

reviewed and analyzed the relative contributions of the Company and Questcor to the historical and future financial performance of the combined company on a pro forma basis;

had discussions with the managements of Mallinckrodt and Questcor concerning their respective businesses, operations, assets, liabilities, financial condition and prospects; and

undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and has not assumed responsibility or liability for any independent verification of such information) and has further relied upon the assurances of management of Mallinckrodt that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the Mallinckrodt Projections, upon the advice of Mallinckrodt, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Mallinckrodt as to the future financial performance of Mallinckrodt and that Mallinckrodt will perform substantially in accordance with such projections. With respect to the Questcor Projections, upon the advice of Mallinckrodt, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates of the management of Questcor as to the future financial performance of Questcor. With respect to Mallinckrodt s Questcor Projections, upon the advice of

Mallinckrodt, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Mallinckrodt as to the future financial performance of Questcor and that Questcor will perform substantially in accordance with such projections. In addition, upon the advice of Mallinckrodt, Barclays assumed that the amounts and timing of the Expected Benefits are reasonable and that the Expected Benefits will be realized substantially in accordance with such estimates. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or estimates or the assumptions on which they were based.

In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Mallinckrodt or Questcor and did not make or obtain any evaluations or appraisals of the assets or liabilities of Mallinckrodt or Questcor. In addition, Barclays opinion did not address, and Barclays did not express a view as to any potential liabilities resulting from any pending, threatened or potential litigation or governmental proceedings or investigation involving Questcor or its subsidiaries. Barclays opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, April 5, 2014. Barclays

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expressed no opinion as to the prices at which the (i) Mallinckrodt ordinary shares or shares of Questcor common stock would trade following the announcement of the proposed transaction or (ii) Mallinckrodt ordinary shares would trade following the consummation of the proposed transaction. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after April 5, 2014.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of Questcor common stock or Mallinckrodt ordinary shares but rather made its determination as to fairness, from a financial point of view, to Mallinckrodt of the Merger Consideration to be offered by Mallinckrodt in the proposed transaction on the basis of various financial and comparative analyses as summarized below. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the proposed transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to the Mallinckrodt board of directors. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Mallinckrodt or any other parties to the proposed transaction. None of Mallinckrodt, Questcor, Merger Sub, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold.

Summary of Analyses

The following is a summary of the material financial analyses performed by Barclays with respect to Mallinckrodt and Questcor in preparing Barclays opinion:

- selected comparable company analyses for Mallinckrodt and Questcor;
- selected precedent transaction analysis;
- discounted cash flow analyses for Mallinckrodt and Questcor;

historical share price analyses for Mallinckrodt and Questcor; and

analysis of equity research analyst price targets for each of Mallinckrodt and Questcor.

In addition to performing the material financial analyses summarized above, Barclays also analyzed and reviewed the pro forma impact of the transaction on projected non-GAAP earnings per share (EPS) for fiscal year 2015.

For purposes of certain of the analyses presented below, the Mallinckrodt Projections that are presented on a calendar year basis were converted from a fiscal year basis. In addition, for purposes of certain of the analyses presented below, the Questcor Projections that were provided to Barclays on a calendar year basis were converted to a fiscal year basis.

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Selected Comparable Company Analysis

Questcor

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to Questcor with selected companies that Barclays deemed comparable to Questcor. Barclays chose these companies because they are publicly traded companies in the specialty pharmaceutical industry with a material amount of revenues from a lead product and operations that, for purposes of Barclays analysis, may be considered similar or reasonably comparable to the operations of Questcor. The selected comparable companies were:

Teva Pharmaceutical Industries Limited

Allergan, Inc.

Shire PLC

Jazz Pharmaceuticals Plc

Salix Pharmaceuticals, Ltd.

United Therapeutics Corporation

The Medicines Company

Auxilium Pharmaceuticals, Inc.

Barclays calculated and compared various financial multiples and ratios of Questcor and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company s ratio of its current stock price to its projected earnings per share (commonly referred to as a price earnings ratio, or P/E), and each company s enterprise value to certain projected financial criteria (such as revenue, and earnings before interest, taxes, depreciation and amortization, or EBITDA). The enterprise value of each company was obtained by adding its short and long-term debt to the sum of the market value of its common equity, and subtracting its cash and cash equivalents. All of these calculations were performed based on publicly available financial data (including consensus Wall Street research analyst projections, as adjusted for pending and recently completed M&A transactions) and closing prices, as of April 4, 2014, the last trading date prior to the delivery of Barclays opinion. The results of Barclays Questcor comparable company analysis are summarized below:

	Multiple Range of Comparable Companies of Questcor:		
Enterprise Value as a Multiple of:	**Low**	**Median**	**High**
2014E EV/Revenue	1.46x	3.95x	8.00x
2015E EV/Revenue	1.27x	3.47x	6.83x
2014E EV/EBITDA	7.6x	12.3x	27.1x
2015E EV/EBITDA	5.9x	9.3x	15.8x
2014E P/E	11.4x	16.1x	27.3x
2015E P/E	7.8x	13.3x	19.7x

Barclays selected the comparable companies listed above because their businesses and operating profiles are reasonably similar to that of Questcor. However, because no selected comparable company is exactly the same as Questcor, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Questcor and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Questcor and

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the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of 11.0x to 14.0x multiples of calendar year ending 2014 EPS for Questcor and applied such range to consensus Wall Street research analyst projections to calculate a range of implied prices per share of Questcor. The following summarizes the result of these calculations:

Consensus Wall Street research analyst projections for calendar year end 2014 EPS	Questcor Trading Comparables Reference Range	Implied Questcor Price per Share Reference Range
$7.08	11.0x - 14.0x	$78 - $99

Barclays noted that on the basis of the selected comparable company analysis, the Merger Consideration of $86.10 per share (based on the closing price of $62.52 per Mallinckrodt ordinary share on the NYSE on April 4, 2014, the last trading date prior to the delivery of Barclays opinion) was within the range of implied values per share calculated.

Mallinckrodt

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to Mallinckrodt with selected companies that Barclays deemed comparable to Mallinckrodt. The selected comparable companies were:

Diversified Specialty Pharmaceuticals

Valeant Pharmaceuticals International, Inc.

Allergan, Inc.

Shire PLC

Endo International Plc

Salix Pharmaceuticals, Ltd.

Generic Pharmaceuticals

Actavis Plc

Teva Pharmaceutical Industries Limited

Mylan Inc.

Hospira, Inc.

Akorn, Inc.

Impax Laboratories, Inc.

Barclays calculated and compared various financial multiples and ratios of Mallinckrodt and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company s P/E ratio, and each company s enterprise value to certain projected financial criteria (such as revenue and EBITDA). The enterprise value of each company was obtained by adding its short and long-term debt to the sum of the market value of its common equity, and subtracting its cash and cash equivalents. All of these calculations were performed based on publicly available financial data (including consensus Wall Street research analyst projections, as adjusted for pending and recently completed M&A transactions) and closing

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prices, as of April 4, 2014, the last trading date prior to the delivery of Barclays opinion. The results of Barclays Mallinckrodt comparable company analysis are summarized below:

	Multiple Range of Comparable Diversified Specialty Pharmaceuticals of Mallinckrodt:		
Enterprise Value as a Multiple of:	**Low**	**Median**	**High**
2014E EV/Revenue	3.35x	5.25x	7.16x
2015E EV/Revenue	3.19x	4.85x	6.86x
2014E EV/EBITDA	7.6x	12.3x	14.6x
2015E EV/EBITDA	6.8x	10.3x	13.2x
2014E P/E	14.3x	15.4x	22.5x
2015E P/E	12.3x	13.8x	19.7x

	Multiple Range of Comparable Generic Pharmaceuticals of Mallinckrodt:		
Enterprise Value as a Multiple of:	**Low**	**Median**	**High**
2014E EV/Revenue	2.05x	2.82x	5.33x
2015E EV/Revenue	2.05x	2.80x	4.24x
2014E EV/EBITDA	8.2x	11.1x	13.3x
2015E EV/EBITDA	8.2x	10.4x	13.3x
2014E P/E	11.4x	15.3x	32.7x
2015E P/E	11.3x	12.6x	27.0x

Barclays selected the comparable companies listed above because their businesses and operating profiles are reasonably similar to that of Mallinckrodt. However, because no selected comparable company is exactly the same as Mallinckrodt, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Mallinckrodt and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Mallinckrodt and the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of 16.0x to 20.0x multiples of calendar year ending 2014 Non-GAAP EPS for Mallinckrodt and applied such range to the Mallinckrodt Projections to calculate a range of implied prices per share of Mallinckrodt. The following summarizes the result of these calculations:

Mallinckrodt Projections for calendar year end 2014 Non-GAAP EPS	**Mallinckrodt Trading Comparables Reference Range**	**Implied Mallinckrodt Price per Share Reference Range**
$4.59	16.0x - 20.0x	$73 - $92

Barclays noted that on the basis of the selected comparable company analysis, Mallinckrodt s trading price per ordinary share on April 4, 2014 was below the range of implied values per share calculated.

Selected Precedent Transaction Analysis

Barclays reviewed and compared the purchase prices and financial multiples paid in selected other transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose these transactions because they involve target companies within the specialty pharmaceutical industry that market branded pharmaceutical products to specialty physicians and have operations that, for purposes of Barclays analysis, may be considered similar or reasonably comparable to the operations of

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Questcor. Using publically available information, Barclays calculated and analyzed enterprise value multiples to last twelve month revenue and EBITDA and one-year forward estimated revenue and EBITDA:

	Multiple Range of Comparable Transactions:		
Enterprise Value as a Multiple of:	**Low**	**Median**	**High**
LTM Revenue	1.6x	4.2x	13.8x
LTM EBITDA	6.3x	12.4x	48.3x
FY + 1 Revenue	1.6x	3.9x	10.6x
FY + 1 EBITDA	5.8x	9.0x	34.8x

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Questcor and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the proposed transaction. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the proposed transaction which would affect the acquisition values of the selected target companies and Questcor. Based upon these judgments, Barclays selected a range of 8.0x to 13.0x multiples of calendar year ending 2014 EBITDA and applied such range to consensus Wall Street research analyst projections to calculate a range of implied prices per share of Questcor. The following list and table set forth the transactions analyzed based on such characteristics and the results of such analysis:

Actavis plc s acquisition of Forest Laboratories Inc. (February 18, 2014)

Mallinckrodt s acquisition of Cadence Pharmaceuticals, Inc. (February 11, 2014)

Valeant Pharmaceuticals International, Inc. s acquisition of PreCision Dermatology Inc. (February 3, 2014)

Forest Laboratories Inc. s acquisition of Aptalis Holdings Inc. (January 8, 2014)

Shire plc s acquisition of ViroPharma Inc. (November 11, 2013)

Madison Dearborn Partners LLC s acquisition of Ikaria, Inc. (November 11, 2013)

Salix Pharmaceuticals, Ltd. s acquisition of Santarus, Inc. (November 7, 2013)

Cubist Pharmaceuticals, Inc. s acquisition of Optimer Pharmaceuticals, Inc. (July 30, 2013)

Valeant Pharmaceuticals International, Inc. s acquisition of Bausch & Lomb Holdings Incorporated (May 27, 2013)

Actavis plc s acquisition of Warner Chilcott plc. (May 20, 2013)

Valeant Pharmaceuticals International, Inc. s acquisition of Medicis Pharmaceutical Corporation (September 3, 2012)

Bristol-Myers Squibb Company s acquisition of Amylin Pharmaceuticals, LLC (June 29, 2012)

Teva Pharmaceutical Industries Ltd. s acquisition of Cephalon, Inc. (May 2, 2011)

Sanofi-Aventis SA s acquisition of Genzyme Corporation (February 16, 2011)

Axcan Pharma Holding B.V. s acquisition of Eurand N.V. (December 1, 2010)

Pfizer Inc. s acquisition of King Pharmaceuticals, Inc. (October 12, 2010)

Celgene Corporation s acquisition of Abraxis BioScience, Inc. (June 30, 2010)

Biovail Corporation s acquisition of Valeant Pharmaceuticals International, Inc. (June 20, 2010)

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Astellas Pharma Inc. s acquisition of OSI Pharmaceuticals, Inc. (March 1, 2010)

Abbott Laboratories acquisition of assets from Solvay S.A. (September 28, 2009)

Dainippon Sumitomo Pharma Co., Ltd. s acquisition of Sepracor Inc. (September 1, 2009)

Gilead Sciences, Inc. s acquisition of CV Therapeutics, Inc. (March 12, 2009)

H. Lundbeck A/S s acquisition of Ovation Pharmaceuticals, Inc. (February 9, 2009)

Shionogi & Co., Ltd. s acquisition of Sciele Pharma, Inc. (September 1, 2008)

King Pharmaceuticals, Inc. s acquisition of Alpharma Inc. (August 22, 2008)

TPG Capital s acquisition of Axcan Pharma Inc. (November 29, 2007)

GlaxoSmithKline plc s acquisition of Reliant Pharmaceuticals, Inc. (November 21, 2007)

Schering-Plough Corporation s acquisition of Organon BioSciences N.V. (March 12, 2007)

Consensus Wall Street research analyst projections for calendar year end 2014 EBITDA	Questcor Trading Comparables Reference Range	Implied Questcor Price per Share Reference Range
$624 million	8.0x - 13.0x	$79 - $127

Barclays noted that on the basis of the selected precedent transaction analysis, the Merger Consideration of $86.10 per share (based on the closing price of $62.52 per Mallinckrodt ordinary share on the NYSE on April 4, 2014, the last trading date prior to the delivery of Barclays opinion) was within the range of implied values per share calculated using consensus Wall Street research analyst projections.

Discounted Cash Flow Analysis

In order to estimate the present value of the shares of Questcor common stock and Mallinckrodt ordinary shares, Barclays performed a discounted cash flow analysis of each of Questcor and Mallinckrodt, respectively. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

Questcor

Barclays calculated the estimated enterprise value of Questcor based on each of Mallinckrodt s Questcor Projections and the Questcor Projections using the discounted cash flow method.

In connection with its calculation using the discounted cash flow method based on Mallinckrodt s Questcor Projections, Barclays added (i) Questcor s projected after-tax unlevered free cash flows for the fiscal quarter ending September 30, 2014 through the fiscal year ending September 30, 2026 based on Mallinckrodt s Questcor Projections to (ii) the terminal value of Questcor as of September 30, 2026, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, tax expense and amortization (excluding amortization of purchased intangibles) and subtracting capital expenditures and adjusting for changes in working capital and other cash flow items in Mallinckrodt s Questcor Projections. The residual value of Questcor at the end of the forecast period, or terminal value, was estimated by selecting a range of terminal value multiples based on Adjusted EBITDA of 4.0x to 5.0x, which was derived based on Barclays experience and judgment and applying such range to (i) the Adjusted EBITDA projection contained in Mallinckrodt s Questcor Projections,

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and (ii) the estimated pre-tax amount of projected tax benefits included in the Expected Benefits for the fiscal year ending September 30, 2026. The range of after-tax discount rates of 8.5% to 9.5% was selected based on an analysis of the weighted average cost of capital of Questcor and the comparable companies. Barclays then calculated a range of implied prices per share of Questcor by subtracting estimated net debt as of December 31, 2013 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Questcor common stock (approximately 64.9 million shares). For reference, Barclays also calculated a range of implied prices per share of Questcor utilizing Mallinckrodt s Questcor Projections that did not include the projected tax benefits that were included in the Expected Benefits.

In connection with its calculation using the discounted cash flow method based on the Questcor Projections, Barclays added (i) Questcor s projected after-tax unlevered free cash flows for the fiscal quarter ending September 30, 2014 through the fiscal year ending September 30, 2018 based on the Questcor Projections to (ii) the terminal value of Questcor as of December 31, 2018, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, tax expense and amortization (excluding amortization of purchased intangibles) and subtracting capital expenditures and adjusting for changes in working capital. The residual value of Questcor at the end of the forecast period, or terminal value, was estimated by selecting a range of terminal value multiples based on Adjusted EBITDA of 4.0x to 5.0x, which was derived based on Barclays experience and judgment and applying such range to the Questcor Projections extrapolated for the calendar year ending December 31, 2019. The range of after-tax discount rates of 8.5% to 9.5% was selected based on an analysis of the weighted average cost of capital of Questcor and the comparable companies. Barclays then calculated a range of implied prices per share of Questcor by subtracting estimated net debt including debt-like items as of December 31, 2013 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Questcor common stock (approximately 64.9 million shares).

The following summarizes the result of these calculations:

Mallinckrodt s Questcor Projections Reference Range $108 - $122

Mallinckrodt s Questcor Projections Reference Range (excluding projected tax benefits) $97 - $109

Questcor Projections Reference Range $108 - $130

Barclays noted that on the basis of the discounted cash flow analysis, the Merger Consideration of $86.10 per share (based on the closing price of $62.52 per Mallinckrodt ordinary share on the NYSE on April 4, 2014, the last trading date prior to the delivery of Barclays opinion) was below the range of implied values per share calculated using Mallinckrodt s Questcor Projections and the Questcor Projections.

Mallinckrodt

In connection with its calculation using the discounted cash flow method based on the Mallinckrodt Projections, Barclays added (i) Mallinckrodt s projected after-tax unlevered free cash flows for the fiscal quarter ending September 30, 2014 through the fiscal year ending September 30, 2018 based on the Mallinckrodt Projections to (ii) the terminal value of Mallinckrodt as of September 30, 2018, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, tax expense and amortization (excluding amortization of purchased intangibles) and subtracting capital expenditures and adjusting for changes in working capital and other cash flow items in the Mallinckrodt Projections. The residual value of Mallinckrodt at the end of the forecast period, or terminal value, was

estimated by selecting a range of terminal value multiples based on Adjusted EBITDA of 7.0x to 9.0x, which was derived by analyzing the results from the selected comparable company analysis and applying such range to the Mallinckrodt Projections for the fiscal year ending September 30, 2018. The range of after-tax discount rates of 8.0% to 9.0% was selected based on an analysis of

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the weighted average cost of capital of Mallinckrodt and the comparable companies. Barclays then calculated a range of implied prices per share of Mallinckrodt by subtracting estimated net debt estimated as of June 30, 2014 from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of Mallinckrodt ordinary shares (approximately 60.7 million ordinary shares).

The following summarizes the result of these calculations:

Mallinckrodt Projections Reference Range: $80 - $109

Barclays noted that on the basis of the discounted cash flow analysis, Mallinckrodt s trading price per ordinary share on April 4, 2014 was below the range of implied values per share calculated.

Historical Share Price Analysis

To provide background information and perspective with respect to the historical trading prices of Questcor common stock and Mallinckrodt ordinary shares, Barclays reviewed and analyzed the daily historical closing prices of Questcor common stock for the period from April 4, 2013 to April 4, 2014 and of Mallinckrodt ordinary shares for the period from June 17, 2013 to April 4, 2014.

With respect to Questcor common stock, Barclays noted that the range of closing prices of Questcor common stock for the period from April 4, 2013 to April 4, 2014 ranged from $27 to $80. With respect to Mallinckrodt ordinary shares, Barclays noted that the range of closing prices of Mallinckrodt ordinary shares for the period from June 17, 2013 to April 4, 2014 ranged from $41 to $73.

Research Price Targets Analysis

Barclays considered the publicly available research on per share price targets for Questcor common stock and Mallinckrodt ordinary shares published by Wall Street equity research firms. The price targets published by these equity research analysts do not necessarily reflect current market trading prices for Questcor common stock or Mallinckrodt ordinary shares and these estimates are subject to uncertainties, including the future financial performance of Questcor and Mallinckrodt and future financial market conditions. The publicly available information showed that the range of target prices from the selected analysts reviewed was from $72 to $99 per share of Questcor common stock with a mean of $88, and the range of target prices from the selected analysts reviewed was from $39 to $87 per Mallinckrodt ordinary share with a mean of $65. Barclays noted that the Merger Consideration of $86.10 per share (based on the closing price of $62.52 per Mallinckrodt ordinary share on the NYSE on April 4, 2014, the last trading date prior to the delivery of Barclays opinion) was within the range of target prices for Questcor. Barclays noted that the trading price of Mallinckrodt ordinary shares on April 4, 2014 was within the range of target prices for Mallinckrodt.

Pro Forma Accretion/Dilution Analysis

Barclays reviewed and analyzed the pro forma impact of the proposed transaction on projected Non-GAAP EPS for fiscal year 2015 using (a) the Mallinckrodt Projections, (b) Mallinckrodt s Questcor Projections and (c) the estimates of the Expected Benefits provided by the management of Mallinckrodt. For the fiscal year ending September 30, 2015, assuming the closing of the proposed transaction on June 30, 2014, Barclays compared the pro forma Non-GAAP Mallinckrodt EPS, as adjusted for the proposed transaction, to the Non-GAAP EPS estimate for Mallinckrodt as a standalone entity. Barclays noted that pro forma Non-GAAP EPS would be accretive to standalone Non-GAAP Mallinckrodt EPS in 2015 in the amount of $0.81, or 11.2%.

In performing its analysis, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Mallinckrodt or Questcor. Any estimates contained in Barclays analysis are not necessarily indicative of future

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results or actual values, which may be significantly more or less favorable than those suggested by the estimates. These analyses were prepared solely as part of the analysis of Barclays of the fairness, from a financial point of view, to Mallinckrodt of the Merger Consideration to be paid by Mallinckrodt in the proposed transaction and were conducted in connection with the delivery of Barclays opinion to the Mallinckrodt board of directors.

General

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The Mallinckrodt board of directors selected Barclays because of its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as substantial experience in transactions comparable to the proposed transaction.

Barclays is acting as financial advisor to Mallinckrodt in connection with the proposed transaction. As compensation for its services in connection with the proposed transaction, Mallinckrodt paid Barclays a fee of $5 million upon the delivery of Barclays opinion. Additional compensation of $17.5 million will be payable on completion of the proposed transaction. In the event the merger does not occur and Mallinckrodt receives a termination fee, Barclays will be entitled to receive the lesser of (i) 10% of any break-up, termination or similar fees received by Mallinckrodt or (ii) the amount that would otherwise have been payable by Mallinckrodt to Barclays if the proposed transaction had been consummated in accordance with its terms. In addition, Mallinckrodt has agreed to reimburse Barclays for expenses incurred in connection with the proposed transaction and to indemnify Barclays for certain liabilities that may arise out of its engagement by Mallinckrodt and the rendering of Barclays opinion.

Barclays has performed various investment banking and financial services for Mallinckrodt and Questcor in the past, and expects to perform such services in the future, and has received, and is likely to receive, customary fees for such services. Specifically, in the past two years, Barclays and certain of its affiliates have performed the following investment banking and financial services for Mallinckrodt and its affiliates. In April 2013, Barclays served as a co-manager on Mallinckrodt s $900 million senior notes offering. Barclays also served as joint lead arranger and joint bookrunner on Mallinckrodt s $1.6 billion senior secured credit facilities in support of Mallinckrodt s acquisition of Cadence Pharmaceuticals, Inc. Furthermore, Barclays currently has a commitment to Mallinckrodt s existing revolving credit facility. Further, Barclays was engaged by Questcor as a financial advisor from April 2010 until June 2011 and Barclays did not receive any fees from Questcor in connection with this engagement. Furthermore, Barclays has been engaged to act as a joint lead arranger for a $1.35 billion term loan and a $500 million bridge loan facility (and Barclays has also been engaged to act as an initial purchaser in connection with the issuance of bonds which may be issued in lieu of such acquisition financing) to Mallinckrodt in connection with the financing for the Merger, the proceeds of which may be used to pay all or a portion of the cash portion of the Merger Consideration. Pursuant to such financing transactions, Barclays expects to receive certain fees and customary indemnification from Mallinckrodt, including certain fees payable depending on various circumstances and contingencies.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business, Barclays and affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of Mallinckrodt and Questcor and their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

Barclays opinion, the issuance of which was approved by the Barclays Valuation and Fairness Opinion Committee, is addressed to, and is for the use and benefit of, the Mallinckrodt board of directors and addresses only the fairness, from a financial point of view, to Mallinckrodt of the Merger Consideration to be paid by

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Mallinckrodt in connection with the Merger and does not constitute a recommendation to any shareholder of Mallinckrodt as to how such shareholder should vote or act with respect to any matter relating to the proposed transaction or any other matter.

Opinion of Questcor s Financial Advisor

Questcor has retained Centerview as its financial advisor in connection with the Merger and the other transactions contemplated by the Merger Agreement (which are referred to collectively throughout this section as the transaction). In connection with this engagement, the Questcor board of directors requested that Centerview evaluate the fairness, from a financial point of view, to holders of Questcor common stock (other than the excluded shares) of the combined per share consideration proposed to be paid to such holders pursuant to the Merger Agreement. On April 5, 2014, at a meeting of the Questcor board of directors held to evaluate the Merger, Centerview delivered to the Questcor board of directors an oral opinion, confirmed by delivery of a written opinion dated April 5, 2014, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations and qualifications described in its opinion, the combined per share consideration proposed to be paid to holders of Questcor common stock (other than excluded shares) pursuant to the Merger was fair, from a financial point of view, to such holders.

The full text of Centerview s written opinion, dated April 5, 2014, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. Centerview s opinion was provided for the information and assistance of the Questcor board of directors (in their capacity as directors and not in any other capacity) in connection with and for purposes of its evaluation of the transaction, and did not address any other term or aspect of the Merger Agreement or the transaction. Centerview expressed no view as to, and its opinion did not address, Questcor s underlying business decision to proceed with or effect the transaction, or the relative merits of the transaction as compared to any alternative business strategies or transactions that might be available to Questcor in which Questcor might engage. Centerview s opinion does not constitute a recommendation to any shareholder of Questcor or any other person as to how such shareholder or other person should vote with respect to the Merger or otherwise act with respect to the transaction or any other matter. The summary of the written opinion of Centerview set forth below is qualified in its entirety by reference to the full text of such written opinion.

In arriving at its opinion, Centerview reviewed, among other things:

- a draft of the Merger Agreement dated April 5, 2014 (the draft merger agreement);
- the Annual Reports on Form 10-K of Questcor for the years ended December 31, 2013, December 31, 2012 and December 31, 2011, the Annual Report on Form 10-K of Mallinckrodt for the year ended September 27, 2013 and the Registration Statement on Form 10 of Mallinckrodt filed on February 1, 2013, including the subsequent amendments filed on each of March 15, 2013, May 8, 2013, June 4, 2013 and June 5, 2013;
- certain interim reports to shareholders and Quarterly Reports on Form 10-Q of Questcor and Mallinckrodt;
- certain publicly available research analyst reports for Questcor and Mallinckrodt;

certain other communications from Questcor and Mallinckrodt to their respective shareholders;

certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of Questcor, including certain financial forecasts, analyses, estimates and projections relating to Questcor prepared and adjusted by Questcor s management and furnished to Centerview by Questcor for purposes of Centerview s analysis (the Questcor forecasts and collectively, the Questcor internal data) and the estimated amount and timing of certain tax and other cost savings and related expenses and the synergies expected to result from the transaction provided to Centerview by management of Questcor (the synergies); and

certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of Mallinckrodt, including certain financial forecasts, analyses, estimates and projections on an

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unadjusted basis relating to Mallinckrodt prepared by management of Mallinckrodt and furnished to Questcor and Centerview by Mallinckrodt (the Mallinckrodt forecasts and collectively, the Mallinckrodt internal data) and, at Questcor s direction, reviewed and relied upon for Centerview s opinion and analysis certain adjusted Mallinckrodt forecasts as adjusted by management of Questcor and furnished to Centerview by Questcor for purposes of Centerview s analysis (the adjusted Mallinckrodt forecasts).

Centerview also conducted discussions with members of the senior management and representatives of Questcor and Mallinckrodt regarding their assessment of the Questcor internal data, the synergies, the Mallinckrodt internal data and the adjusted Mallinckrodt forecasts, as appropriate, and the strategic rationale for the transaction. In addition, Centerview reviewed publicly available financial and stock market data, including valuation multiples, for Questcor and Mallinckrodt and compared that data with similar data for certain other companies, the securities of which are publicly traded, in lines of business that Centerview deemed relevant. Centerview also compared certain of the proposed financial terms of the transaction with the financial terms, to the extent publicly available, of certain other transactions that Centerview deemed relevant, and conducted such other financial studies and analyses and took into account such other information as Centerview deemed appropriate.

Centerview assumed, without independent verification or any responsibility therefor, the accuracy and completeness of the financial, legal, regulatory, tax, accounting and other information supplied to, discussed with, or reviewed by Centerview for purposes of its opinion and, with Questcor s consent, relied upon such information as being complete and accurate. In that regard, Centerview assumed, at Questcor s direction, that the Questcor internal data and the synergies were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Questcor as to the matters covered thereby, that the Mallinckrodt internal data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Mallinckrodt as to the matters covered thereby and that the adjusted Mallinckrodt forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Questcor as to the matters covered thereby, and Centerview relied, at Questcor s direction, on the Questcor internal data, the synergies, the Mallinckrodt internal data (other than the Mallinckrodt internal data represented by the adjusted Mallinckrodt forecasts) and the adjusted Mallinckrodt forecasts for purposes of Centerview s analysis and opinion. Centerview expressed no view or opinion as to the Questcor internal data, the synergies, the Mallinckrodt internal data, the adjusted Mallinckrodt forecasts or the assumptions on which they were based.

In addition, at Questcor s direction, Centerview did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance sheet or otherwise) of Questcor or Mallinckrodt, nor was Centerview furnished with any such evaluation or appraisal, and Centerview was not asked to conduct, and did not conduct, a physical inspection of the properties or assets of Questcor or Mallinckrodt. Centerview assumed, at Questcor s direction, that the final executed Merger Agreement would not differ in any respect material to Centerview s analysis or Centerview s opinion from the draft merger agreement reviewed by Centerview. Centerview also assumed, at Questcor s direction, that the transaction would be consummated on the terms set forth in the Merger Agreement and in accordance with all applicable laws, without delay or the waiver, modification or amendment of any term, condition or agreement, the effect of which would be material to Centerview s analysis or Centerview s opinion, and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the transaction, no delay, limitation, restriction, condition or other change would be imposed, the effect of which would be material to Centerview s analysis or Centerview s opinion. Centerview also assumed that the transaction would have the tax consequences described in discussions with, and materials furnished to Centerview by, representatives of Questcor. Centerview did not evaluate and did not express any opinion as to the solvency or fair value of Questcor or Mallinckrodt, or the ability of Questcor or Mallinckrodt to pay its obligations when they come due, or as to the impact of the transaction on such matters, under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. Centerview is not a legal, regulatory, tax or accounting advisor, and Centerview expressed no opinion as to any legal, regulatory, tax or accounting matters.

Centerview expressed no view as to, and its opinion does not address, Questcor s underlying business decision to proceed with or effect the transaction, or the relative merits of the transaction as compared to any

alternative business strategies or transactions that might be available to Questcor or in which Questcor might engage. Centerview was not authorized to, and it did not, undertake a third-party solicitation process on Questcor s behalf regarding a potential transaction with Questcor. Centerview s opinion is limited to and addresses only the fairness, from a financial point of view, as of the date of such opinion, to the holders of the shares (other than excluded shares) of the combined per share consideration to be paid to such holders pursuant to the Merger Agreement. Centerview was not asked to, and did not, express any view on, and its opinion does not address, any other term or aspect of the Merger Agreement or the transaction, including, without limitation, the structure or form of the transaction, or any other agreements or arrangements contemplated by the Merger Agreement or entered into in connection with or otherwise contemplated by the transaction, including, without limitation, the fairness of the transaction or any other term or aspect of the transaction to, or any consideration to be received in connection therewith by, or the impact of the transaction on, the holders of any other class of securities, creditors or other constituencies of Questcor or any other party.

In addition, Centerview expressed no view or opinion as to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to be paid or payable to any of the officers, directors or employees of Questcor or any party, or class of such persons in connection with the transaction, whether relative to the combined per share consideration to be paid to the holders of Questcor common stock (other than the excluded shares) pursuant to the Merger Agreement or otherwise. Centerview s opinion is necessarily based on financial, economic, monetary, currency, market and other conditions and circumstances as in effect on, and the information made available to Centerview as of, the date of its opinion, and Centerview does not have any obligation or responsibility to update, revise or reaffirm its opinion based on circumstances, developments or events occurring after the date of its opinion. Centerview expressed no view or opinion as to what the value of Mallinckrodt ordinary shares actually will be when issued pursuant to the transaction or the prices at which the Questcor common stock or Mallinckrodt ordinary shares will trade or otherwise be transferable at any time, including following the announcement or consummation of the transaction. Centerview s opinion does not constitute a recommendation to any shareholder of Questcor or any other person as to how such shareholder or other person should vote with respect to the transaction or otherwise act with respect to the Merger or any other matter. Centerview s opinion was approved by the Centerview Partners LLC Fairness Opinion Committee.

Summary of Centerview Financial Analysis

The following is a brief summary of the material financial and comparative analyses utilized by Centerview in connection with rendering its opinion to the Questcor board of directors on April 5, 2014 and contained in the presentation delivered to the Questcor board of directors on such date in connection with the rending of such opinion and does not purport to be a complete description of the analyses or data presented by Centerview.

The consideration to be paid with respect to Questcor s fully-diluted shares (including share equivalents) in the transaction consists of (a) approximately $1.88 billion of cash and (b) Mallinckrodt ordinary shares representing approximately 49.5% of the pro forma ownership of the combined company immediately following the closing of the transaction by holders of Questcor shares and awards calculated based on the fully diluted shares of each of Questcor and Mallinckrodt using the treasury stock method as of April 4, 2014 (the aggregate consideration). Centerview s written financial analysis that was delivered to the Questcor board of directors prior to its meeting on April 5, 2014 and presented by Centerview at such meeting was based on an assumed consideration unit consisting of (a) $29.05 in cash (the assumed cash amount) and (b) 0.912 Mallinckrodt ordinary shares (the assumed exchange ratio), taken together and not separately (the assumed combined per share consideration). In presenting its analysis at the meeting of the board of directors of Questcor, Centerview reviewed with the Questcor board of directors that the assumed combined per share consideration represented (a) the weighted average mix of consideration to be received by all holders of Questcor s common shares and share equivalents, (b) an implied per share equity value of $86.10 as of the

market close on April 4, 2014, the same implied equity value per Questcor common share as the combined per share consideration payable pursuant to the Merger Agreement, the mix of which was ultimately agreed between Questcor and Mallinckrodt after Centerview had completed its analysis, and (c) the same aggregate consideration to be paid with respect to Questcor s fully-diluted shares (including share equivalents) calculated using the treasury stock method pursuant to the Merger Agreement.

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The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses. Because financial analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Questcor, Mallinckrodt, Merger Sub, Barclays, Centerview or any other person assumes responsibility if future results are different from those forecasted, whether or not any such difference is material.

Relative Contribution Analysis

Centerview performed a relative contribution analysis of Questcor and Mallinckrodt in which Centerview reviewed the relative contributions of Questcor and Mallinckrodt to net income of the combined company for the calendar years of 2015 and 2016 without considering any synergies from the transaction. Financial data of Questcor were based on the Questcor forecasts and financial data of Mallinckrodt were based on the adjusted Mallinckrodt forecasts. This analysis indicated on an equity value basis overall relative contributions of Questcor to the combined company s calendar years 2015 and 2016 net income of approximately 58% and 59%, respectively, and of Mallinckrodt of approximately 42% and 41% respectively without considering any synergies.

Based on the approximate implied relative contribution percentages of Questcor and Mallinckrodt described above, Centerview calculated the following implied exchange ratio reference range, after adjusting for the assumed cash amount of $29.05 per share:

Relative Contribution Analysis Implied Exchange Ratios

	Y15	Y16
Implied Exchange Ratio	0.820x	0.850x

Centerview compared this implied exchange ratio range to the assumed exchange ratio of 0.912x.

Selected Public Comparables Analysis

Centerview performed a selected public comparables analysis of Mallinckrodt and Questcor in which Centerview reviewed certain financial and stock market information relating to Mallinckrodt, Questcor and selected publicly traded companies that Centerview, in its experience and professional judgment, deemed generally relevant for comparative purposes. Financial data of the selected companies were based on Wall Street research consensus estimates, public filings and other publicly available information. The financial data of Mallinckrodt were based on the adjusted Mallinckrodt forecasts and the financial data of Questcor were based on Questcor forecasts.

Mallinckrodt

In the selected public comparables analysis of Mallinckrodt, Centerview compared selected financial data of Mallinckrodt with similar data of the following selected companies that Centerview deemed comparable based on its experience and professional judgment to Mallinckrodt for purposes of this analysis:

Actavis plc

Alkermes plc

Endo Health Solutions Inc.

Jazz Pharmaceuticals plc

Perrigo Company

Valeant Pharmaceuticals International, Inc.

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None of the selected companies reviewed is identical to Mallinckrodt and certain of these companies may have characteristics that are materially different from those of Mallinckrodt. These companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for purposes of Centerview s analysis, may be considered similar to those of Mallinckrodt based on sector participation, financial metrics, form of operations and being non-U.S. domiciled. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Mallinckrodt.

Among other calculations, Centerview calculated for each of the selected companies the multiple of the stock price of its common equity divided by its earnings per share estimate for the calendar year 2015 (which is referred to in this section as CY15), in each case excluding amortization expenses, which is referred to as the adjusted P/E multiple. Based on this analysis, the median adjusted P/E multiple was 13.2x.

Using its professional judgment and expertise, Centerview applied a range of adjusted P/E multiples of 11.9x to 16.1x, representing the 25th percentile to 75th percentile of the adjusted P/E multiples, to Mallinckrodt s estimated CY2015 earnings per share, in each case excluding amortization expenses, which is referred to as the adjusted earnings per share, as set forth in the adjusted Mallinckrodt forecasts, in order to calculate an implied equity value per share range. The results of this analysis implied an equity value per share range for Mallinckrodt s common stock of $71.25 to $96.25.

Questcor

In the selected public comparables analysis of Questcor, Centerview compared selected financial data of Questcor with similar data of the following selected companies that Centerview deemed comparable based on its experience and professional judgment to Questcor for purposes of this analysis:

Aegerion Pharmaceuticals, Inc.

Auxilium Pharmaceuticals Inc.

Cubist Pharmaceuticals, Inc.

The Medicines Company

Salix Pharmaceuticals, Inc.

United Therapeutics Corporation

None of the selected companies reviewed is identical to Questcor and certain of these companies may have characteristics that are materially different from those of Questcor. These companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for purposes of Centerview s analysis, may be considered similar to those of Questcor based on sector participation, financial metrics, form of

operations and being U.S. domiciled. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Questcor.

Among other calculations, Centerview calculated for each of the selected companies the adjusted P/E multiples for CY15. Based on this analysis, the median adjusted P/E multiple was 11.5x. Centerview noted that Questcor had historically traded at a discounted next twelve months (NTM) adjusted P/E multiple relative to these selected companies. Centerview calculated an average percentage discount of Questcor s NTM adjusted P/E multiple relative to the average NTM adjusted P/E ratio for the selected companies over both a past one-year (38% discount) and a past two-year (35% discount) period. Based on this analyses and using its professional judgment and expertise, Centerview applied a 38% discount to the adjusted P/E multiples for CY15. This calculation produced what is referred to as the discounted adjusted P/E multiple. Based on this analysis for each of the selected companies, the median discounted adjusted P/E multiples was 7.1x.

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This analysis provided a 25th percentile to 75th percentile range of discounted adjusted P/E multiples of 7.0x to 9.1x, which Centerview applied to Questcor s estimated calendar year 2015 adjusted earnings per share, as set forth in the Questcor forecasts, in order to calculate an implied equity value per share range. The results of this analysis implied an equity value per share range for Questcor s common stock of $54.00 to $70.25.

Implied Exchange Ratio for Selected Public Comparables Analyses

Centerview then calculated for such selected public comparables the ratio of the highest implied equity value per share of Questcor to the lowest implied equity value per share of Mallinckrodt and the ratio of the lowest implied equity value per share of Questcor to the highest implied equity value per share of Mallinckrodt, in each case after adjusting the Questcor implied equity value per share amounts for the assumed cash amount of $29.05 per share, to derive an implied exchange ratio range as shown below.

	Implied Exchange Ratio
Lowest Questcor implied equity value to highest Mallinckrodt implied equity value	0.259x
Highest Questcor implied equity value to lowest Mallinckrodt implied equity value	0.578x

Centerview compared this implied exchange ratio range to the assumed exchange ratio of 0.912x.

Hypothetical Illustrative Present Value of Future Share Price Analysis

Centerview calculated and compared a hypothetical illustrative present value of the future prices of Mallinckrodt s ordinary shares (based on the adjusted Mallinckrodt forecasts) and Questcor s common stock (based on the Questcor forecasts). Centerview applied a theoretical NTM P/E multiples for the calendar years ending 2014, 2015 and 2016 for Mallinckrodt of 19.0x, 17.0x and 15.0x respectively and a forward P/E multiple of 9.0x to each of the calendar years ending 2014, 2015, 2016 and 2017 for Questcor, which in each case were based on Centerview s professional judgment and expertise as well as approximated based on each company s past NTM P/E multiples and that of the selected public comparable companies, to each of Mallinckrodt s adjusted earnings per share, as provided in the adjusted Mallinckrodt forecasts, and Questcor s adjusted earnings per share, as provided in the Questcor forecasts, in each of such applicable calendar years, and then discounted the derived value using a cost of equity discount rate of 10% for Mallinckrodt and a cost of equity discount rate of 11% for Questcor. This analysis implied a per share price range of $98.25 to $108.50 for Mallinckrodt and $66.00 to $76.00 for Questcor. This analysis is merely illustrative of the impact of hypothetical trading at various multiples and should not be interpreted as a stock price prediction by Centerview.

Centerview then calculated the ratio of the highest implied equity value per share for Questcor to the lowest implied equity value per share for Mallinckrodt and the ratio of the lowest implied equity value per share for Questcor to the highest implied equity value per share for Mallinckrodt for this analysis, in each case after adjusting the Questcor implied equity value per share amounts for the assumed cash amount of $29.05 per share, to derive an implied exchange ratio range as shown below.

Implied Exchange Ratio
0.340x

Lowest Questcor implied equity value to highest Mallinckrodt implied equity value	
Highest Questcor implied equity value to lowest Mallinckrodt implied equity value	0.479x

Centerview compared this implied exchange ratio range to the assumed exchange ratio of 0.912x.

Discounted Cash Flow Analyses

Centerview performed a discounted cash flow analysis of Mallinckrodt and Questcor in which Centerview calculated the estimated present value of the standalone unlevered after-tax free cash flows that Mallinckrodt and Questcor were each forecasted to generate from June 30, 2014 through the fiscal year ending September 30, 2018 in the case of Mallinckrodt and December 31, 2023 in the case of Questcor. Financial data used in this analysis were based on, in the case of Mallinckrodt, the adjusted Mallinckrodt forecasts, and in the case of Questcor, the

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Questcor forecasts. The terminal value of Mallinckrodt at the end of its forecast period was estimated by using growth rates following 2018 from negative 1.0% to a growth rate of 2.0%, which Centerview selected based on its professional judgment and expertise. For the terminal value of Questcor, Centerview was directed to assume peak net sales in 2023, the final year of the forecast period, and assumed growth rates following 2023 ranging from negative 10% to negative 20%, which Centerview selected based on its professional judgment and expertise. The cash flows and terminal values were then discounted to present value using discount rates ranging from 8.0% to 10.0% in the case of Mallinckrodt and 10.0% to 12.0% in the case of Questcor. This range of discount rates was based on a weighted average cost of capital analysis for each of Mallinckrodt and Questcor. In performing its analysis, Centerview adjusted for estimated net cash of each of Mallinckrodt and Questcor, in the case of Mallinckrodt, as provided in the adjusted Mallinckrodt forecasts, and in the case of Questcor, as provided in the Questcor forecasts. The implied fully diluted equity values were divided by the number of fully diluted shares outstanding at each company to arrive at a range of implied equity values of $51.25 to $108.50 for Mallinckrodt and $92.75 to $117.25 for Questcor.

Centerview then calculated the ratio of the highest implied equity value per share for Questcor to the lowest implied equity value per share for Mallinckrodt and the ratio of the lowest implied equity value per share for Questcor to the highest implied equity value per share for Mallinckrodt, in each case after adjusting the Questcor implied equity value per share amounts for the assumed cash amount of $29.05 per share, to derive an implied exchange ratio range as shown below.

	Implied Exchange Ratios
Lowest Questcor implied equity value to highest Mallinckrodt implied equity value	0.587x
Highest Questcor implied equity value to lowest Mallinckrodt implied equity value	1.721x

Centerview compared this implied exchange ratio range to the assumed exchange ratio of 0.912x.

Other Factors

Historical Trading Range

Centerview presented to the Questcor board of directors the trading range of the closing prices of Mallinckrodt s ordinary shares for the period ranging from June 28, 2013 (the date Mallinckrodt started trading after its spin-off from Covidien) and ending April 4, 2014 , which was $41.51 per share to $72.81 per share. Centerview also reviewed with the Questcor board of directors the trading range of the closing prices of Questcor s common stock for the 52-week period ending April 4, 2014, which was $27.31 per share to $79.46 per share.

Centerview then calculated the ratio of the closing stock price for Questcor to the closing stock price of Mallinckrodt for each day since June 28, 2013, in each case after adjusting the Questcor stock prices for the assumed cash amount of $29.05 per share, to derive an implied exchange ratio range as shown below.

	Implied Exchange Ratios
Lowest exchange ratio of Questcor stock price to Mallinckrodt stock price since June 28, 2013	0.361x
	1.015x

Highest exchange ratio of Questcor stock price to Mallinckrodt stock price
since June 28, 2013
Centerview compared this implied exchange ratio range to the assumed exchange ratio of 0.912x. Centerview noted that the historical trading range analysis is not a valuation methodology and that such analysis was presented merely for reference purposes only and not as a component of its fairness analysis.

Analyst Price Targets

Centerview presented to the Questcor board of directors the stock price targets of publicly available research analyst reports for Mallinckrodt s ordinary shares which provided a reference range of $39.00 per share to $87.00

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per share, with a median of $70.00 per share. Centerview also reviewed with the Questcor board of directors the stock price targets of publicly available research analyst reports for Questcor s common stock which provided a reference range of $72.00 per share to $99.00 per share, with a median of $90.00 per share.

Centerview then calculated the ratio of the lowest price target for Questcor to the lowest price target for Mallinckrodt and the ratio of the highest price target for Questcor to the highest price target for Mallinckrodt, in each case after adjusting the Questcor price targets for the assumed cash amount of $29.05 per share, to derive an implied exchange ratio range as shown below.

	Implied Exchange Ratio
Lowest Questcor price target to lowest Mallinckrodt price target	1.101x
Highest Questcor price target to highest Mallinckrodt price target	0.804x

Centerview compared this implied exchange ratio range to the assumed exchange ratio of 0.912x. Centerview noted that the analyst price targets analysis is not a valuation methodology and that such analysis was presented merely for reference purposes only and not as a component of its fairness analysis.

Illustrative Pro Forma Discounted Cash Flow Valuation to Questcor Shareholders

Centerview also compared the midpoint of the implied equity value range for Questcor based on the discounted cash flow analysis described above under Discounted Cash Flow Analysis , of $105 per share and compared that midpoint to an illustrative value per share to Questcor common stock based on an illustrative pro forma discounted cash flow analysis. The illustrative pro forma discounted cash flow analysis was based on the discounted cash flows of Questcor and Mallinckrodt as well as estimated synergies, which Centerview then adjusted for Questcor shareholders implied equity ownership in the combined company of 49.5% plus the net effect of the cash component of the consideration to be paid to Questcor shareholders. The foregoing analysis yielded an illustrative aggregate equity value divided by the number of fully diluted shares outstanding of Questcor to arrive at an illustrative value of $112 per share to Questcor shareholders, which was calculated to be a 7% premium to the $105 per share implied equity value of Questcor s discounted cash flow analysis on a standalone basis.

Questcor Selected Precedent Transactions Analysis

Centerview reviewed and analyzed eleven selected precedent transactions since September 2009 involving companies in the pharmaceutical industry that it viewed as generally relevant in evaluating the transaction based on certain financial and operational characteristics, including targets that were profitable. In performing these analyses, Centerview analyzed certain financial information and transaction multiples relating to companies in the selected transactions and compared such information to the corresponding information for the present transaction. Although none of the selected precedent transactions or the companies party to such transactions is directly comparable to the transactions contemplated by the Merger Agreement or to Questcor, all of the transactions were chosen because they involve transactions that, for purposes of analysis, may be considered similar to the transactions contemplated by the Merger Agreement and/or involve targets that, for purposes of analysis, may be considered similar to Questcor.

For each of the selected transactions, Centerview calculated the multiple of the transaction value (calculated as the target s offer value less any cash and plus any debt) divided by earnings before interest, taxes, depreciation and amortization, or EBITDA, for a forward-looking twelve-month period, which is referred to in this section as the NTM

EBITDA multiple, the premium the offer value represented to the trading price of the acquired company s stock the date prior to the market price per share on the trading day prior to the first public knowledge of the possibility of the transaction, which is referred to in this section as the 1 Day Premium, and the premium the offer value represented to the volume weighted average trading price of the acquired company s stock for the 30 calendar days prior to the market price per share on the trading day prior to the first public knowledge of the possibility of the transaction, which is referred to in this section as the 30 Day VWAP Premium. Financial data

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of the selected transactions were based on public filings, research analysts consensus estimates and other publicly available information. Financial data of Questcor were based on the Questcor forecasts, public filings and other publicly available information. The foregoing analyses produced the median for each of NTM EBITDA multiples, 1 Day Premiums and 30 Day VWAP Premiums of 7.9x, 36% and 39%, respectively. Based on the foregoing analyses and using its professional judgment and expertise, Centerview used the following ranges of NTM EBITDA multiples, 1 Day Premiums and 30 Day VWAP Premiums:

Transaction Analysis Ranges Applied

	25th Percentile	75th Percentile
NTM EBITDA Multiple	7.0x	9.9x
1 Day Premium	27%	40%
30 Day VWAP Premium	31%	44%

This analysis produced a range of implied equity values as follows:

Transaction Analysis Implied Equity Value for Questcor

	Low	High
NTM EBITDA Multiple	$ 80.50	$ 110.50
1 Day Premium	$ 86.25	$ 95.00
30 Day VWAP Premium	$ 85.00	$ 93.50

The range of implied equity values for Questcor was compared to the implied per share equity value of the combined per share consideration of $86.10 per share.

Other Considerations

The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. In arriving at its opinion, Centerview did not draw, in isolation, conclusions from or with regard to any factor or analysis that it considered. Rather, Centerview made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses.

In the analyses, Centerview considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Questcor or Mallinckrodt. No company or transaction used in the analyses is identical to Questcor, Mallinckrodt or the transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading, acquisition or other values of the companies analyzed. The estimates contained in the analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, the analyses are inherently subject to substantial uncertainty.

Centerview was not requested to, and did not, recommend the specific consideration payable in the transaction. The type and amount of consideration payable in the transaction was determined through arm s-length negotiations between Questcor and Mallinckrodt and the decision to enter into the Merger Agreement was solely that of the Questcor board of directors and the Mallinckrodt board of directors. The opinion and analysis of Centerview was only one of many factors considered by the Questcor board of directors

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in its evaluation of the transaction and should not be viewed as determinative of the views of the Questcor board of directors or management with respect to the Merger or the combined per share consideration payable in the transaction or as to whether the Questcor board of directors would have been willing to determine that a different consideration was fair.

Miscellaneous

Centerview is a securities firm engaged directly and through affiliates and related persons in a number of investment banking, financial advisory and merchant banking activities. In the past two years, Centerview has not provided any investment banking or other services to Questcor, Mallinckrodt or Merger Sub for which Centerview has received compensation. Centerview may provide investment banking and other services to or with respect to Questcor or Mallinckrodt or their respective affiliates in the future, for which Centerview may receive compensation. Certain (i) of Centerview s and Centerview s affiliates directors, officers, members and employees, or family members of such persons, (ii) of Centerview s affiliates or related investment funds and (iii) investment funds or other persons in which any of the foregoing may have financial interests or with which they may co-invest, may at any time acquire, hold, sell or trade, in debt, equity and other securities or financial instruments (including derivatives, bank loans or other obligations) of, or investments in, Questcor, Mallinckrodt or any of their respective affiliates, or any other party that may be involved in the transaction.

Questcor selected Centerview as its financial advisor in connection with the transaction based on Centerview s knowledge of the pharmaceutical industry, reputation and experience. Centerview is a nationally recognized investment banking firm that has substantial experience in transactions similar to the transaction.

In consideration of Centerview s services, pursuant to a letter agreement, dated March 14, 2014, Questcor has agreed to pay Centerview a fee of $28.0 million, $2.0 million of which was payable upon the delivery of its opinion, and the remainder of which will become payable upon the consummation of the Merger. Questcor has also agreed to reimburse certain of Centerview s expenses arising, and to indemnify Centerview against certain liabilities that may arise, out of its engagement.

Mallinckrodt Unaudited Prospective Financial Information

Mallinckrodt does not publicly disclose long-term projections as to future sales, earnings or other results due to, among other reasons, the uncertainty and subjectivity of the underlying assumptions and estimates. As a result, Mallinckrodt does not endorse the unaudited prospective financial information as a reliable indication of future results.

Mallinckrodt is including the limited unaudited prospective financial information in this document solely because it was among the financial information made available to the Mallinckrodt board of directors, Barclays, Questcor and Centerview in connection with their evaluation of the Merger. The unaudited prospective financial information presented below includes projections prepared by Mallinckrodt s management for normal strategic planning purposes and projections for the Cadence acquisition and may include opportunities outside the current base operations that may or may not come to fruition. Moreover, the internally prepared unaudited prospective financial information included in this joint proxy statement/prospectus was based on estimates and assumptions made by management during Mallinckrodt s annual strategic planning process completed in the third quarter of Mallinckrodt s fiscal 2013 and subsequently updated in January 2014 solely to reflect strategic pricing initiatives taken in October 2013 in certain specialty generics products. Mallinckrodt reviews and updates its internal projections regularly and has revised its internal projections since January 2014. Except to the extent required by applicable law, Mallinckrodt has no obligation to update the unaudited prospective financial information included in this joint proxy statement/prospectus

and does not intend to do so.

The inclusion of this information should not be regarded as an indication that any of Mallinckrodt, Barclays, Questcor, Centerview or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. There can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated.

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Since the unaudited prospective financial information included in this joint proxy statement/prospectus covers multiple years, such information by its nature becomes less predictive with each successive year. Mallinckrodt shareholders and Questcor shareholders are urged to review the section of this joint proxy statement/prospectus titled *Risk Factors* and SEC filings of Mallinckrodt for a description of risk factors with respect to the business of Mallinckrodt. See *Cautionary Statement Regarding Forward-Looking Statements*, *Risk Factors* and *Where You Can Find More Information* beginning on pages 78, 27 and 377, respectively, of this joint proxy statement/prospectus. The unaudited prospective financial information included in this joint proxy statement/prospectus was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The independent registered public accounting firm of Mallinckrodt has not audited, reviewed, compiled or performed any procedures with respect to the accompanying unaudited prospective financial information (or unaudited prospective financial information presented below under the heading *Questcor Unaudited Prospective Financial Information*) for the purpose of its inclusion herein, and accordingly, the independent registered public accounting firm of Mallinckrodt does not express an opinion or provide any form of assurance on such information or its achievability, and assumes no responsibility for, and disclaims any association with, the unaudited prospective financial information. The report of the independent registered public accounting firm of Mallinckrodt contained in the Annual Report of Mallinckrodt on Form 10-K for the year ended September 27, 2013 relates to the historical financial information of Mallinckrodt. It does not extend to the unaudited prospective financial information included in this joint proxy statement/prospectus and should not be read to do so. Furthermore, the unaudited prospective financial information included in this joint proxy statement/prospectus does not take into account any circumstances or events occurring after the date it was prepared. The unaudited prospective financial information included in this joint proxy statement/prospectus does not give effect to the Merger.

The following table presents the selected unaudited prospective financial data that were made available to the Mallinckrodt board of directors, Barclays, Questcor and Centerview in connection with their evaluation of the Merger:

	For the fiscal year ending September 30,				
In millions	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**
Net Sales	$ 2,425	$ 2,963	$ 3,178	$ 3,437	$ 3,749
Adjusted EBITDA[(1)]	$ 454	$ 734	$ 805	$ 941	$ 1,051
Adjusted Net Income[(2)]	$ 219	$ 418	$ 484	$ 596	$ 687

(1) Adjusted EBITDA represents GAAP net income before net interest, income taxes, depreciation and amortization, adjusted to exclude certain items. These items, if applicable, include discontinued operations; other income, net; separation costs; restructuring charges, net; immediately expensed up-front and milestone payments; acquisition-related costs; and non-cash impairment charges.

(2) Adjusted Net Income represents net income, prepared in accordance with GAAP, excluding the after-tax effects related to separation costs; restructuring and related charges, net; amortization; discontinued operations; and other items identified by Mallinckrodt.

Mallinckrodt also made available to the Mallinckrodt board of directors, Barclays, Questcor and Centerview earnings per share projections, which were based on the adjusted net income projections described above divided by projected shares outstanding (which ranged from approximately 57 to 59 million shares) in the relevant periods.

Adjusted EBITDA and Adjusted Net Income, as referenced above, may be considered non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information

presented in compliance with GAAP, and non-GAAP financial measures as used in the above unaudited prospective financial information may not be comparable to similarly titled amounts used by other companies or persons.

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Mallinckrodt and Questcor calculate certain non-GAAP financial metrics, including Adjusted EBITDA and Adjusted Net Income, using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures and in the sections of this document with respect to the opinions of the financial advisors to Mallinckrodt and Questcor may not be directly comparable to one another.

The following table presents the selected unaudited prospective financial data that were made available to the Mallinckrodt board of directors and Barclays in connection with their evaluation of the Merger:

	For the three months ending September 30	For the fiscal year ending September 30,			
In millions	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**
Unlevered Free Cash Flow	$ 73	$ 360	$ 470	$ 548	$ 618

Although presented with numerical specificity, the unaudited prospective financial information reflects numerous assumptions and estimates as to future events made by the management of Mallinckrodt. At the time the unaudited prospective financial information was prepared, Mallinckrodt s management believed such assumptions and estimates were reasonable. In preparing the unaudited prospective financial information, Mallinckrodt made assumptions regarding, among other things, transaction volumes and pricing, discounts and returns to arrive at estimated prospective net sales, estimated actual cost to manufacture products sold including estimated plant variances, the amount of supply chain and logistical costs, the amount of research and development costs, interest rates, corporate financing activities, including amount and timing of the issuance of debt, the timing and amount of ordinary share issuances, the effective tax rate and the amount of Mallinckrodt s income taxes, the amount of general and administrative costs and Mallinckrodt s anticipated acquisition or disposition activities.

No assurances can be given that the assumptions made in preparing the unaudited prospective financial information will accurately reflect future conditions. The estimates and assumptions underlying the unaudited prospective financial information involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements* beginning on pages 27 and 78, respectively, of this joint proxy statement/prospectus all of which are difficult to predict and many of which are beyond the control of Questcor and/or Mallinckrodt and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ, and may differ materially, from those reflected in the unaudited prospective financial information, whether or not the Merger is completed.

Questcor and Mallinckrodt shareholders are urged to review the rest of this joint proxy statement/prospectus (including financial information contained in this joint proxy statement/prospectus), as well as Mallinckrodt s most recent SEC filings, for a description of Mallinckrodt s reported and anticipated results of operations and financial condition and capital resources during 2013 and 2014, including as described in the section titled *Mallinckrodt Management s Discussion and Analysis of Financial Condition and Results of Operations* beginning on page 200 of this joint proxy statement/prospectus.

Readers of this document are cautioned not to place undue reliance on the unaudited prospective financial information. No representation is made by Questcor, Mallinckrodt or any other person to any Questcor shareholder or any Mallinckrodt shareholder regarding the ultimate performance of Mallinckrodt compared to the information included in the unaudited prospective financial information. The inclusion of unaudited prospective financial information in this document should not be regarded as an indication that such prospective financial information will be an accurate prediction of future events, and such information should not be relied on as such.

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MALLINCKRODT DOES NOT INTEND TO UPDATE OR OTHERWISE REVISE THE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

In connection with the Merger, Mallinckrodt s management prepared selected unaudited prospective financial information for Questcor, which Mallinckrodt made available to the Mallinckrodt board of directors and Barclays in connection with their evaluation of the Merger (Mallinckrodt s Questcor Projections). In preparing Mallinckrodt s Questcor Projections, Mallinckrodt reviewed the epidemiology for nine of Acthar s approved indications and estimated prospective patient population, market size, market share, dosing and pricing for Acthar for each of its approved indications to develop estimates of prospective gross sales expected to be generated from sales of Acthar in respect of each such approved indication during Mallinckrodt s fiscal years ending the last Friday of September in 2014, 2015, 2016, 2017, 2018, 2019 and 2020. These estimates of prospective gross sales were adjusted based on Mallinckrodt s estimates of prospective discounts and returns to arrive at estimated prospective net sales to be generated from sales of Acthar during Mallinckrodt s fiscal years ending the last Friday of September in 2014, 2015, 2016, 2017, 2018, 2019 and 2020. Mallinckrodt assumed that sales for the fiscal years ending the last Friday of September in 2020 through 2026 would remain at the 2020 levels. In addition, Mallinckrodt used consensus Wall Street research analyst estimates for gross sales expected to be generated from sales of BioVectra for each fiscal year of 2014, 2015 and 2016, and assumed sales from BioVectra in future years remained at 2016 levels.

Mallinckrodt estimated Questcor s prospective cost of goods sold based on historical cost per unit information provided by Questcor s management, and assumed that these costs would grow at a rate of 3% per annum through 2020 and remain at constant levels thereafter. Mallinckrodt estimated Questcor s prospective selling expense based on its estimates of the required number of sales representatives for each indication and the prospective costs thereof, assuming that such costs would grow at a rate of 3% per annum through 2020 and would remain at constant levels thereafter. Mallinckrodt estimated prospective R&D expense based on historical information provided by Questcor, and estimated such expense as a percentage of estimated sales in each year. Mallinckrodt estimated prospective royalty expense as a percentage of net sales. Mallinckrodt estimated marketing expense and general and administrative expense based on historical information provided by Questcor s management and an assumed growth rate of 5% per annum through 2020 for marketing expense and general and administrative expense and assumed that these expenses would remain at a constant level thereafter. Mallinckrodt estimated all other expenses, taking into account those non-recurring expenses identified during its due diligence investigation of Questcor. Mallinckrodt estimated the applicable tax rate based on historical information provided by Questcor s management.

Questcor Unaudited Prospective Financial Information

Questcor does not publicly disclose long-term projections as to future sales, earnings or other results due to, among other reasons, the uncertainty and subjectivity of the underlying assumptions and estimates. As a result, Questcor does not endorse the unaudited prospective financial information as a reliable indication of future results.

Questcor is including the limited unaudited prospective financial information in this document solely because it was among the financial information made available to the Questcor board of directors, Centerview, Mallinckrodt and Barclays, as described in more detail below, in connection with their respective evaluations of the Merger. Questcor management prepared, in connection with its consideration of the Merger, certain unaudited prospective financial data relating to Questcor on a stand-alone, pre-transaction basis, including projections prepared for normal internal planning purposes in the last quarter of fiscal 2013 for fiscal years 2014 through 2023, which were subsequently revised in connection with Questcor s evaluation of the Merger to include updated sales estimates and additional

financial projections (the Questcor forecasts). Questcor

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management provided to the Questcor board of directors for use in connection with its evaluation of the Merger, a summary of select Questcor forecasts for fiscal years 2014 through 2023. Questcor management provided to Mallinckrodt and Barclays for use in connection with their evaluation of the Merger, a summary of select Questcor forecasts for fiscal years 2014 through 2018. Questcor management also adjusted the Questcor forecasts to reflect risks in select sales estimates of certain indications of Acthar (the Questcor adjusted forecasts). Questcor management provided to the Questcor board of directors for use in connection with its consideration of the Merger, the Questcor adjusted forecasts as well as certain unaudited prospective financial information based on data relating to Mallinckrodt which was prepared by Mallinckrodt and furnished to Questcor and subsequently adjusted by Questcor management based on Questcor s findings following completion of its due diligence analysis of Mallinckrodt (the Mallinckrodt adjusted forecasts, and collectively with the Questcor adjusted forecasts and the Questcor forecasts, the Financial Forecasts). Questcor management also furnished the Questcor adjusted forecasts and the Mallinckrodt adjusted forecasts to Centerview for purposes of Centerview s financial analysis.

The Financial Forecasts were based on estimates and assumptions made by Questcor management in the last quarter of fiscal year 2013, and Questcor management in the first quarter of the fiscal year 2014. Except to the extent required by applicable law, Questcor has no obligation to update prospective financial information included in this joint proxy statement/prospectus and does not intend to do so. The inclusion of the Financial Forecasts should not be regarded as an indication that any of Questcor, Centerview, Mallinckrodt, Barclays or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. There can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated.

Since the Financial Forecasts cover multiple years, such information by its nature becomes less predictive with each successive year. Questcor shareholders and Mallinckrodt shareholders are urged to review the SEC filings of Questcor for a description of risk factors with respect to the business of Questcor. See *Cautionary Statement Regarding Forward-Looking Statements* and *Where You Can Find More Information* beginning on pages 78 and 377, respectively, of this joint proxy statement/prospectus. The Financial Forecasts were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The independent registered public accounting firm of Questcor has not audited, reviewed, compiled or performed any procedures with respect to the accompanying Financial Forecasts (or unaudited prospective financial information presented above under the heading *Mallinckrodt Unaudited Prospective Financial Information*) for the purpose of their inclusion herein, and accordingly, the independent registered public accounting firm of Questcor does not express an opinion or provide any form of assurance on such information or its achievability, and assumes no responsibility for, and disclaims any association with, the unaudited prospective financial information. The report of the independent registered public accounting firm of Questcor contained in the Annual Report of Questcor on Form 10-K for the year ended December 31, 2013, which is incorporated by reference into this document, relates to the historical financial information of Questcor. It does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. The unaudited prospective financial information does not give effect to the Merger.

The following table presents the Questcor forecasts made available to the Questcor board of directors.

	Questcor Forecasts (in millions)									
Fiscal Year Ending 12/31	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**

Net Sales	$ 1,100	$ 1,401	$ 1,818	$ 2,198	$ 2,433	$ 2,672	$ 2,900	$ 3,118	$ 3,290	$ 3,436

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The following table presents the Questcor forecasts made available to Mallinckrodt and Barclays.

	Questcor Forecasts (in millions)				
Fiscal Year Ending 12/31	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**
Net Sales	$ 1,100	$ 1,401	$ 1,818	$ 2,198	$ 2,433
EBITDA	612	810	1,086	1,344	1,503
Net Income	397	530	715	889	998

The following table presents the Questcor adjusted forecasts made available to Centerview and the Questcor board of directors.

	Questcor Adjusted Forecasts (in millions, except for the per share amounts)									
Fiscal Year Ending 12/31	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**
Net Sales	$ 1,100	$ 1,313	$ 1,533	$ 1,811	$ 1,984	$ 2,162	$ 2,331	$ 2,503	$ 2,636	$ 2,756
Free cash flow	435	490	556	732	818	899	973	1,050	1,132	1,185
Adjusted EBIT[(1)]	608	741	871	1,051	1,162	1,276	1,385	1,504	1,589	1,665
Adjusted Net Income[(2)]	406	495	583	705	781	859	934	1,017	1,076	1,130

(1) Adjusted EBIT excludes amortization.
(2) Adjusted Net Income excludes amortization.

The following table presents the Mallinckrodt adjusted forecasts made available to the Questcor board of directors and Centerview.

	Mallinckrodt Adjusted Forecasts (in millions, except for the per share amounts)				
Fiscal Year Ending 9/30	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**
Net Sales	$ 2,425	$ 2,861	$ 3,036	$ 3,258	$ 3,538
Free cash flow	242	374	403	479	539
Adjusted EBITDA	454	643	683	790	875
Adjusted Net Income	219	349	391	481	552

The Questcor board of directors was also provided with fully-diluted EPS numbers for the Questcor Adjusted Forecasts (through 2018) and the Mallinckrodt Adjusted Forecasts that were calculated based on adjusted net income numbers set forth above, using a constant number of outstanding fully-diluted shares of 64.2 million and 60.1 million, respectively.

Mallinckrodt and Questcor calculate certain non-GAAP financial metrics, including EBITDA, using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures and in the sections of this document with respect to the opinions of the financial advisors to Mallinckrodt and Questcor may not be directly comparable to one another.

Although presented with numerical specificity, the above Financial Forecasts reflect numerous assumptions and estimates as to future events made by the management of Questcor. At the time the Financial Forecasts were prepared, Questcor s management believed such assumptions and estimates were reasonable. In preparing the foregoing Financial Forecasts, Questcor made assumptions regarding, among other things, sales volumes and pricing, interest rates, corporate financing activities, including with respect to the amount and timing of the issuance of debt, the timing and amount of common stock issuances, the effective tax rate and the amount of Questcor s income taxes, the amount of selling, general and administrative costs and the amount of research and development spending.

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No assurances can be given that the assumptions made in preparing the above Financial Forecasts will accurately reflect future conditions. The estimates and assumptions underlying the Financial Forecasts involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements* beginning on pages 27 and 78, respectively, of this joint proxy statement/prospectus all of which are difficult to predict and many of which are beyond the control of Questcor and/or Mallinckrodt and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ, and may differ materially, from those reflected in the Financial Forecasts, whether or not the Merger is completed.

Questcor shareholders and Mallinckrodt shareholders are urged to review Questcor s most recent SEC filings for a description of Questcor s reported and anticipated results of operations and financial condition and capital resources during 2014, including *Management s Discussion and Analysis of Financial Condition and Results of Operations* in Questcor s Quarterly Report on Form 10-Q for the first quarter ended March 31, 2014, which is incorporated by reference into this document.

Readers of this document are cautioned not to place undue reliance on the Financial Forecasts set forth above. No representation is made by Questcor, Mallinckrodt or any other person to any Questcor shareholder or any Mallinckrodt shareholder regarding the ultimate performance of Questcor or Mallinckrodt compared to the information included in the above Financial Forecasts. The inclusion of Financial Forecasts in this document should not be regarded as an indication that such prospective financial information will be an accurate prediction of future events, and such information should not be relied on as such.

QUESTCOR DOES NOT INTEND TO UPDATE OR OTHERWISE REVISE THE FINANCIAL FORECASTS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH FINANCIAL FORECASTS ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

Board of Directors and Management after the Transaction

Upon completion of the Merger, the combined company will be led by Mark Trudeau, President and Chief Executive Officer of Mallinckrodt. It is expected that, following the completion of the Merger, the Mallinckrodt board of directors will be increased to twelve members, with the addition of three directors from Questcor. The three directors will be Mr. Bailey and two current, independent directors of Questcor: Angus C. Russell and Virgil D. Thompson. Melvin D. Booth, the current Chairman of the Mallinckrodt board of directors, will continue in that role after the transaction is completed. Mallinckrodt has also agreed in the Merger Agreement to create an additional committee of the board in connection with the completion of the Merger.

Upon completion of the Merger, Questcor s commercial operations will function as a separate business unit within Mallinckrodt s Specialty Pharmaceuticals segment reporting directly to Mr. Trudeau. Mallinckrodt expects to add Questcor executives to Mallinckrodt s leadership team; these individual appointments will be announced at a later date.

For additional information about the members of the Mallinckrodt board of directors, see *Management of Mallinckrodt* beginning on page 269 of this joint proxy statement/prospectus.

Interests of Questcor s Directors and Executive Officers in the Transaction

In considering the recommendation of the Questcor board of directors that you vote to approve the Merger Proposal, you should be aware that Questcor s directors and executive officers have interests in the Merger that are different from, or in addition to, the interests of Questcor s shareholders generally. The members of the

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Questcor board of directors were aware of the different or additional interests and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement and the Merger, and in recommending to the shareholders of Questcor that the Merger Proposal be approved. See *Background of the Transaction* and *Recommendation of the Questcor Board of Directors and Questcor s Reasons for the Merger* beginning on pages 95 and 109, respectively, of this joint proxy statement/prospectus. Questcor s shareholders should take these interests into account in deciding whether to vote **FOR** the Merger Proposal.

These interests are described in more detail below and certain of them are quantified in the narrative and the table below and under the heading *Questcor Proposals Merger-Related Named Executive Officer Compensation Proposal* beginning on page 90 of this joint proxy statement/prospectus. The dates used below to quantify these interests have been selected for illustrative purposes only and do not necessarily reflect the dates on which certain events will occur.

Treatment of Questcor Stock Options and Other Questcor Equity-Based Awards

Certain directors and executive officers of Questcor hold outstanding Questcor stock options, Questcor restricted stock and Questcor performance awards. Under the Merger Agreement, the stock options held by Questcor s directors and executive officers as of immediately prior to the effective time of the Merger will be treated as follows:

- Each Questcor stock option held by Questcor non-employee directors, whether vested or unvested, and each vested Questcor stock option held by Questcor executive officers will convert into the right to receive the Merger Consideration with respect to each share of Company common stock subject to such option immediately prior to the effective time of the Merger, net of the applicable exercise price.

- In addition, each unvested Questcor stock option held by Questcor executive officers will convert into an option to acquire, on the same terms and conditions as were applicable to such option immediately prior to the effective time of the Merger, a number of Mallinckrodt ordinary shares determined by multiplying the number of shares of Questcor common stock subject to such option immediately prior to the effective time of the Merger by the Equity Award Exchange Ratio, at an exercise price per share of Mallinckrodt ordinary shares (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (x) the exercise price per share of Questcor common stock of such Questcor stock option by (y) the Equity Award Exchange Ratio.

Each outstanding Questcor restricted stock award held by Questcor non-employee directors will be cancelled and converted into the right to receive the Merger Consideration in respect of each share of Questcor common stock underlying the Questcor restricted stock award. In addition, each outstanding Questcor restricted share award (other than any such award subject to performance-based vesting conditions) held by Questcor executive officers will be converted into a number of restricted Mallinckrodt ordinary shares determined by multiplying the applicable number of restricted shares of Questcor common stock by the Equity Award Exchange Ratio. Each outstanding Questcor restricted share award held by a Questcor executive that is subject to performance-based vesting conditions will be cancelled and converted into the right to receive the Merger Consideration in respect of each share of Questcor common stock underlying the Questcor restricted share award.

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The following table sets forth for each of Questcor s directors and executive officers holding Questcor stock options, restricted stock and performance awards as of July 9, 2014, and the aggregate number of shares of Questcor common stock subject to vested Questcor stock options, unvested Questcor stock options, unvested Questcor restricted stock and unvested Questcor performance awards as of such date.

Name	Vested Stock Options	Unvested Stock Options	Restricted Stock	Performance-Based Awards
Don M. Bailey	691,666	133,334	116,937	53,000
Rajesh Asarpota	0	0	20,000	4,000
Stephen L. Cartt	495,491	50,000	46,250	23,000
David J. Medeiros	2,291	33,334	26,687	13,000
Michael H. Mulroy	121,770	43,230	41,687	18,000
David Young	250,833	54,167	32,750	14,000
Neal C. Bradsher	250,042	1,875	0	0
Stephen C. Farrell	135,042	1,875	0	0
G. Kelly Martin	1,031	5,156	2,812	0
Angus C. Russell	3,047	8,205	3,835	0
Louis Silverman	88,792	1,875	0	0
Virgil D. Thompson	86,851	1,875	0	0
Scott M. Whitcup	26,070	9,332	0	0

Amended and Restated 2006 Equity Incentive Plan

Pursuant to Questcor s 2006 Equity Incentive Award Plan, all of the Questcor equity awards held by executive officers will vest (i) in full if the executive officer experiences a termination of service for good reason due to a material relocation or upon a termination of service without cause, in each case, within 60 days prior to or 13 months following a change in control of Questcor, including the Merger, or (ii) in part or in full (with the actual levels of vesting dependent on the executive s service with Questcor) if the executive remains continuously employed with Questcor until the 13-month anniversary of the closing of the Merger, or experiences a termination of service for good reason other than due to a material relocation during the period described in clause (i) above.

Executive Employment, Severance and Change in Control Agreements

Each of Questcor s executive officers is party to an agreement that provides certain benefits in the event of certain termination events, including upon a qualifying termination in connection with a change in control of Questcor. Each agreement provides that in the event of a qualifying termination in connection with a change in control, 100% of such executive s stock options and restricted stock awards that are then unvested and outstanding will become vested and exercisable on the date of such termination. In addition, if the executive s employment is terminated without cause or for good reason, in each case, within three months or 60 days, respectively, prior to or 12 months following a change in control, the executive will, subject to his execution and non-revocation of a release of claims in favor of Questcor, be entitled to receive (i) 12 months base salary (24 months base salary for Mr. Bailey) and (ii) one times (two times for Mr. Bailey) the executive s target bonus for the year of termination.

Under Mr. Bailey s employment agreement, Mr. Bailey is entitled to a tax gross-up payment in an amount that will have an after-tax value equal to taxes that are imposed if any severance payments due to Mr. Bailey are determined to be greater than 125% of the amount that would cause any portion of the payments to be excess parachute payments subject to excise tax under Section 4999 of the Internal Revenue Code. In addition, each of Messrs. Mulroy and

Asarpota has entered into an amendment to his severance agreement pursuant to which, if the Merger is consummated and an excise tax under Section 4999 of the Internal Revenue Code is imposed on the executive as a result of any compensation or benefits provided to the executive in connection with the

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Merger, Questcor will pay or reimburse the executive an amount equal to such excise tax plus any taxes resulting from such payment or reimbursement.

2014 Bonus Policy

Pursuant to Questcor s 2014 Bonus Policy, Questcor s executive officers are eligible to receive a bonus with respect to 2014 that is (i) no less than 75% of the executive s target bonus (the threshold bonus opportunity), and (ii) no greater than the product of 1.72, multiplied by 75% of the executive s target bonus (the maximum bonus opportunity). The bonus will be payable within 90 days following September 30, 2014, subject to the executive s continued employment through that date and the consummation of the Merger. In addition, in the event the executive s employment is terminated by Questcor without cause or for good reason (each, as defined in the Questcor s 2006 Equity Incentive Award Plan), prior to September 30, 2014, the executive will be entitled to his or her target bonus, pro-rated based on the number of days the executive was employed in 2014. The following table sets forth each Questcor executive officer s threshold and maximum bonus opportunities.

Name	2014 Threshold Bonus Opportunity	2014 Maximum Bonus Opportunity
Don M. Bailey	$ 648,750	$ 1,115,850
Rajesh Asarpota	$ 150,000	$ 258,000
Stephen L. Cartt	$ 283,500	$ 487,620
David J. Medeiros	$ 200,888	$ 345,527
Michael H. Mulroy	$ 207,900	$ 357,588
David Young	$ 243,000	$ 417,960

Employee Benefits

The Merger Agreement requires Mallinckrodt (or the surviving corporation) to continue to provide certain compensation and benefits for a period of at least one year following the effective time of the Merger, and to take certain actions in respect of employee benefits provided to Questcor s employees, including its executive officers. For a detailed description of these requirements, please see the section entitled *The Merger Agreement Covenants and Agreements Employee Matters* beginning on page 157 of this joint proxy statement/prospectus.

Indemnification Insurance

Pursuant to the terms of the Merger Agreement, Questcor s directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors and officers liability insurance policies from the surviving corporation of the Merger. Such indemnification and insurance coverage is further described in the section entitled *The Merger Agreement Indemnification; Directors and Officers Insurance* beginning on page 168 of this joint proxy statement/prospectus.

Regulatory Approval Required for the Transaction

Under the HSR Act and the rules and regulations promulgated thereunder by the FTC, the transaction cannot be consummated until, among other things, notifications have been given and certain information has been furnished to the FTC and the Antitrust Division and all applicable waiting periods have expired or been terminated.

On April 18, 2014, each of Mallinckrodt and Questcor filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC, and on May 9, 2014, the FTC granted early termination of the

waiting period under the HSR Act with respect to the Merger.

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Even after the waiting period under the HSR Act expires or is terminated, the Antitrust Division and the FTC retain the authority to challenge the Merger on antitrust grounds before or after the Merger is completed. There can likewise be no assurance that U.S. federal, state or non-U.S. regulatory authorities, or private parties, will not attempt to challenge the Merger on antitrust grounds or for other reasons, or, if a challenge is made, as to the results of the challenge. See *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 164 of this joint proxy statement/prospectus.

Mallinckrodt and Questcor have agreed to use reasonable best efforts to obtain as soon as practicable all consents and approvals of any governmental authority or any other third party necessary, proper or advisable in connection with the Merger, subject to limitations as set forth in the Merger Agreement. See *The Merger Agreement Covenants and Agreements Reasonable Best Efforts; Regulatory Filings and Other Actions* beginning on page 160 of this joint proxy statement/prospectus.

Stock Exchange Listing

The Mallinckrodt ordinary shares to be issued as the stock portion of the Merger Consideration in the Merger must be approved for listing on the New York Stock Exchange, subject to official notice of issuance.

Financing Relating to the Transaction

Mallinckrodt anticipates that the total funds needed to complete the transactions will be funded through a combination of:

- available cash on hand of Mallinckrodt; and
- third-party debt financing which may include some combination of the following: a senior secured term loan credit facility, senior unsecured notes, a senior unsecured bridge loan facility, an accounts receivable securitization facility and other sources of financing.

On April 5, 2014, MIFSA obtained a debt commitment letter, which is referred to in this joint proxy statement/prospectus as the debt commitment letter, from certain financial institutions, which are referred to in this joint proxy statement/prospectus as the Commitment Parties, pursuant to which the Commitment Parties agreed to provide up to $1.35 billion in aggregate principal amount of a senior secured term loan credit facility and a $500 million unsecured bridge loan facility, which bridge loans would only be extended in the event MIFSA is unable to raise such amount by issuing debt securities.

Each Commitment Party s commitments with respect to the financing contemplated by the debt commitment letter, and each Commitment Party s agreements to perform the services described in the debt commitment letter, will automatically terminate on the earliest of (i) October 7, 2014, subject to extension to match the date immediately following the Outside Date if the Outside Date is extended to January 6, 2015 (or to the extent that the marketing period has begun but not been completed by the Outside Date, then such date will be further extended by the number of days remaining in the marketing period as of the Outside Date plus three business days), (ii) the consummation of the Merger without (x) in the case of the senior credit facility, the use of the senior credit facility or (y) in the case of the bridge facility, the use of the bridge facility, and (iii) the date of termination of the Merger Agreement in accordance with its terms (other than with respect to terms that survive such termination).

The definitive documentation governing the debt financing has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described in this joint proxy statement/prospectus. Although the debt financing described in this joint proxy statement/prospectus is not subject to a due diligence or market out, such financing may not be considered assured. The obligation of the Commitment Parties to provide debt financing under the debt commitment letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be funded when required. As of the date of this joint proxy statement/prospectus, no alternative financing arrangements or alternative financing plans have been made in the event the debt financing described in this joint proxy statement/prospectus is not available.

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Transaction-Related Costs

Mallinckrodt currently estimates that, upon the effective time of the Merger, transaction-related costs incurred by the combined company, including fees and expenses relating to the financing, will be approximately $75 million.

Accounting Treatment of the Transaction

Mallinckrodt will account for the acquisition pursuant to the Merger Agreement and using the acquisition method of accounting in accordance with GAAP. Mallinckrodt will measure the assets acquired and liabilities assumed at their fair values including net tangible and identifiable intangible assets acquired and liabilities assumed as of the closing of the transaction. Any excess of the purchase price over those fair values will be recorded as goodwill.

Definite lived intangible assets will be amortized over their estimated useful lives. Intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually. All intangible assets and goodwill are also tested for impairment when certain indicators are present.

The purchase price reflected in the unaudited pro forma condensed combined financial statements is based on preliminary estimates using assumptions Mallinckrodt management believes are reasonable based on currently available information. The final purchase price and fair value assessment of assets and liabilities will be based in part on a detailed valuation which has not yet been completed.

Public Trading Markets

Mallinckrodt ordinary shares are listed and trade on the New York Stock Exchange under the symbol MNK. Questcor common stock is listed and trades on the NASDAQ Stock Market under the symbol QCOR.

Mallinckrodt has agreed to use its reasonable best efforts to cause the Mallinckrodt ordinary shares to be issued in connection with the Merger and to be approved for listing on the New York Stock Exchange, subject to official notice of issuance, prior to the effective time of the Merger. Additionally, the effectiveness of the registration statement, of which this joint proxy statement/prospectus forms a part, for the Mallinckrodt ordinary shares is a condition to the completion of the Merger. It is expected that, following the Merger, Mallinckrodt ordinary shares will trade on the New York Stock Exchange under Mallinckrodt s current ticker symbol, MNK and that Questcor common stock will be delisted from the NASDAQ Stock Market and deregistered under the Exchange Act and will cease to be publicly traded.

Resale of Mallinckrodt Ordinary Shares

All Mallinckrodt ordinary shares received by Questcor shareholders as consideration in the Merger will be freely tradable for purposes of the Securities Act, except for Mallinckrodt ordinary shares received by any person who is deemed an affiliate of Mallinckrodt at the time of the closing of the Merger. Securities held by an affiliate of Mallinckrodt may be resold or otherwise transferred without registration in compliance with the volume limitations, manner of sale requirements, notice requirements and other requirements under Rule 144 or as otherwise permitted under the Securities Act. This document does not cover resales of Mallinckrodt ordinary shares received upon completion of the Merger by any person, and no person is authorized to make any use of this document in connection with any resale.

Support Agreement

On April 23, 2014, Mallinckrodt and Paulson entered into the Support Agreement, pursuant to which Paulson has agreed, among other things, to vote all of the Mallinckrodt ordinary shares and shares of Questcor common stock beneficially owned by it in favor of the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM (unless there has been a Mallinckrodt change of recommendation (as described below under *The Merger Agreement Covenants and Agreements No Solicitation; Third Party Acquisition Proposals*)), and in favor of

the Merger Proposal at the Questcor special meeting (unless there has been a Questcor change of recommendation (as described below under *The Merger Agreement Covenants and Agreements No Solicitation; Third Party Acquisition Proposals*)).

In addition, pursuant to the Support Agreement, Paulson also agreed, with respect to each matter submitted to a vote of Mallinckrodt s shareholders other than those described in the foregoing paragraph, to vote all Mallinckrodt ordinary shares beneficially owned by it in excess of 9.9999% of the Mallinckrodt ordinary shares then outstanding in the manner recommended by the majority of the Mallinckrodt board of directors on such matter.

Paulson also has agreed in the Support Agreement not to become an Acquiring Person (as defined in the Rights Agreement, dated as of June 28, 2013, between Mallinckrodt and Computershare Trust Company, N.A., as Rights Agent (the Mallinckrodt Rights Agreement)) (which obligation will continue to apply notwithstanding the expiration of the Mallinckrodt Rights Agreement on June 28, 2014).

Additionally, Paulson agreed in the Support Agreement to certain standstill restrictions with respect to Mallinckrodt and its ordinary shares.

The Support Agreement will terminate upon the later of (i) October 23, 2015 and (ii) such time as Paulson beneficially owns less than 10% of Mallinckrodt s ordinary shares.

In connection with entering into the Support Agreement, Mallinckrodt amended the Mallinckrodt Rights Agreement to change the definition of Acquiring Person contained in Section 1 of the Mallinckrodt Rights Agreement to increase the threshold for becoming an Acquiring Person, with respect only to Paulson, from 10% to 20% (the Paulson Threshold), subject to certain conditions.

The Paulson Threshold will remain in effect as to Paulson only for so long as Paulson is a Qualified Institutional Investor (as defined in the amendment to the Mallinckrodt Rights Agreement). In the event that the Merger Agreement is terminated in accordance with its terms prior to the effective time of the Merger, the Paulson Threshold will thereupon become the lesser of (i) 20% and (ii) 0.0001% plus the percentage of Mallinckrodt ordinary shares beneficially owned by Paulson at the time of such termination. In the event that the effective time of the Merger occurs, the Paulson Threshold will immediately following such effective time become the greater of (i) 10% and (ii) 0.0001% plus the percentage of Mallinckrodt ordinary shares beneficially owned by Paulson immediately following such effective time as a result of its beneficial ownership of Mallinckrodt ordinary shares (not in excess of the Paulson Threshold) immediately prior to such effective time. Whenever following such termination or effective time the percentage of Mallinckrodt ordinary shares beneficially owned by Paulson decreases, the Paulson Threshold will thereupon be reduced to 0.0001% plus the percentage of Mallinckrodt ordinary shares beneficially owned by Paulson following such decrease. Notwithstanding the foregoing, the Paulson Threshold will not be less than 10%.

The Support Agreement described above is filed as an exhibit to the registration statement of which this joint proxy statement/prospectus forms a part. The summary of the Support Agreement is qualified in its entirety by reference to the full text of the Support Agreement, which is incorporated by reference into this joint proxy statement/prospectus.

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THE MERGER AGREEMENT

This section describes the material terms of the Merger Agreement, which was executed on April 5, 2014. The description in this section and elsewhere in this joint proxy statement/prospectus is qualified in its entirety by reference to the complete text of the Merger Agreement, a copy of which is attached as Annex A and is incorporated by reference into this joint proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the Merger Agreement that is important to you. You are encouraged to read the Merger Agreement carefully and in its entirety.

Explanatory Note Regarding the Merger Agreement

The Merger Agreement and this summary are included solely to provide you with information regarding the terms of the Merger Agreement. Factual disclosures about Mallinckrodt and Questcor contained in this joint proxy statement/prospectus or in Mallinckrodt s or Questcor s public reports filed with the SEC, as applicable, may supplement, update or modify the factual disclosures about Mallinckrodt or Questcor contained in the Merger Agreement. The representations, warranties, covenants and agreements made in the Merger Agreement by Questcor, Mallinckrodt and Merger Sub were made solely for the purposes of the Merger Agreement and as of specific dates and were qualified and subject to important limitations agreed to by Questcor, Mallinckrodt and Merger Sub in connection with negotiating the terms of the Merger Agreement. In particular, in your review of the representations and warranties contained in the Merger Agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purposes of establishing the circumstances in which a party to the Merger Agreement may have the right not to consummate the Merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the Merger Agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to shareholders and reports and documents filed with the SEC, and in some cases were qualified by the matters contained in the respective disclosure letters that Mallinckrodt and Questcor delivered to each other in connection with the Merger Agreement, which disclosures were not included in the Merger Agreement attached to this joint proxy statement/prospectus as Annex A. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Merger Agreement. Accordingly, the representations and warranties and other provisions of the Merger Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/prospectus, the documents incorporated by reference into this joint proxy statement/prospectus, and reports, statements and filings that Mallinckrodt and Questcor file with the SEC from time to time. See the section entitled *Where You Can Find More Information* beginning on page 377 of this joint proxy statement/prospectus.

The Merger

Pursuant to the Merger Agreement, Merger Sub, a wholly owned subsidiary of Mallinckrodt, will merge with and into Questcor, with Questcor surviving as a wholly owned subsidiary of Mallinckrodt. Following the Merger, the Questcor common stock will be delisted from the NASDAQ Stock Market, deregistered under the Exchange Act and cease to be publicly traded.

Closing and Effective Time of the Merger

Unless otherwise mutually agreed to by Mallinckrodt and Questcor, the closing of the Merger will take place on the second business day following the day on which the last of the conditions to consummate the Merger (described under *Conditions to the Completion of the Merger* beginning on page 164 of this joint proxy statement/prospectus) have

been satisfied or waived (other than those conditions that by their terms are to be satisfied at the closing of the Merger, but subject to the satisfaction or waiver of those conditions). However, if the marketing period (as described below) has not ended at the time of the satisfaction or waiver of the last of the

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conditions to consummate the Merger, the closing of the Merger will occur on the earlier to occur of (a) a date during the marketing period specified by Mallinckrodt on no less than three business days notice to Questcor and (b) the third business day after the end of the marketing period (subject in each case to the continued satisfaction or waiver of all the conditions to the closing of Merger as of the date on which the closing is to occur as determined in accordance with this sentence). The term marketing period is defined in the Merger Agreement to mean the first period of ten consecutive days throughout and at the end of which Mallinckrodt and its financing sources will have had access to all requested financial information of Questcor that meets specified requirements as more fully described in the Merger Agreement and during such period all the conditions to the closing of the Merger are capable of being satisfied if closing were scheduled for any time during such ten consecutive business day period, except that the conditions relating to Mallinckrodt and Questcor shareholder approvals only need to be satisfied no later than five business days prior to the end of the marketing period.

Assuming timely satisfaction of the necessary closing conditions, the closing of the Merger is expected to occur in August 2014. The Merger will become effective upon the filing of (i) a certificate of merger with the Secretary of State of the State of Delaware and (ii) an agreement of merger and officer s certificates with the Secretary of State of the State of California.

Consideration to Questcor Shareholders

As a result of the Merger, each issued and outstanding share of Questcor common stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Merger Consideration, equal to (i) $30.00 in cash (the cash consideration) and (ii) 0.897 validly issued, fully paid and nonassessable Mallinckrodt ordinary shares (the stock consideration).

The Merger Consideration will be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Questcor common stock or Mallinckrodt ordinary shares, as applicable), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with respect to the number of shares of Questcor common stock or Mallinckrodt ordinary shares outstanding after the date of the Merger Agreement and prior to the effective time of the Merger.

Exchange Agent and Transmittal Materials and Procedures

Prior to the effective time of the Merger, Mallinckrodt or Merger Sub will designate a bank or trust company that is reasonably satisfactory to Questcor to act as the exchange agent in connection with the Merger (such agent is referred to in this document as the exchange agent). At or immediately after the effective time of the Merger, Mallinckrodt or Merger Sub will deposit, or cause to be deposited, with the exchange agent the aggregate amount of cash and number of Mallinckrodt ordinary shares necessary to satisfy the aggregate Merger Consideration payable in the Merger (and any dividends with respect thereto). In addition, Mallinckrodt or Merger Sub will deposit with the exchange agent any cash in lieu of any fractional shares as described below under *No Fractional Shares.*

Promptly after the effective time of the Merger, Mallinckrodt will, and will cause the surviving corporation to, cause the exchange agent to send transmittal materials, which will include the appropriate form of a letter of transmittal, to holders of record of shares of Questcor common stock (other than excluded shares and dissenting shares) providing instructions on how to effect the transfer and cancellation of shares of Questcor common stock in exchange for the Merger Consideration.

After the effective time of the Merger, when a Questcor shareholder delivers a properly executed letter of transmittal and any other documents as may reasonably be required by the exchange agent, the holder of shares of Questcor

common stock will be entitled to receive, and the exchange agent will be required to deliver to the holder, (i) the number of Mallinckrodt ordinary shares and an amount in cash that such holder is entitled to

receive as a result of the Merger (after taking into account all of the shares of Questcor common stock held immediately prior to the Merger by such holder) and (ii) any cash in lieu of fractional shares and in respect of dividends or other distributions to which such holder is entitled.

No interest will be paid or accrued on any amount payable upon cancellation of shares of Questcor common stock. The Mallinckrodt ordinary shares issued and paid and cash amount paid in accordance with the Merger Agreement upon conversion of the shares of Questcor common stock (including any cash paid in lieu of fractional shares) will be deemed to have been issued and paid in full satisfaction of all rights pertaining to the shares of Questcor common stock.

If any portion of the Merger Consideration is to be delivered to a person or entity other than the holder in whose name any surrendered certificate is registered, it will be a condition of such payment that (i) the certificate surrendered must be properly endorsed or must be otherwise in proper form for transfer and (ii) the person or entity requesting such payment pays any transfer or other similar taxes required by reason of the payment of the Merger Consideration to a person or entity other than the registered holder of the certificate surrendered or will establish to the satisfaction of Merger Sub that such tax has been paid or is not required to be paid. Payment of the applicable Merger Consideration with respect to book-entry shares will only be made to the person or entity in whose name such book-entry shares are registered.

Dissenting Shareholder Rights

If a holder of Questcor common stock does not vote in favor of the Merger Proposal and is entitled to demand and properly exercises dissenting shareholder rights with respect to such Questcor common stock (the dissenting shareholder rights) in compliance with Chapter 13 of the CGCL, such Questcor common stock will not be converted into the right to receive the Merger Consideration as described above under *Consideration to Questcor Shareholders*, but instead, at the effective time of the Merger, will be converted into the right to receive payment of the fair market value of such Questcor common stock in accordance with the dissenting shareholder rights. Failure to follow any of the procedures required by Chapter 13 of the CGCL may result in a termination or waiver of dissenting shareholder rights under the CGCL. The applicable provisions of the CGCL are summarized below under *Dissenting Shareholder Rights*. Questcor shareholders who choose to exercise dissenting shareholder rights under the CGCL must fully comply with the requirements of Chapter 13 of the CGCL.

Treatment of Questcor Stock Options and Other Questcor Equity-Based Awards

As of immediately prior to the effective time of the Merger, each Questcor stock option granted to a non-employee director (each, a Questcor Director Stock Option) under any Questcor equity plan that is outstanding and unexercised immediately prior to the effective time of the Merger, whether or not then vested or exercisable, will be cancelled and converted into the right to receive the Merger Consideration after taking into account the exercise price for such option. As of immediately prior to the effective time of the Merger, each Questcor stock option other than the Questcor Director Stock Options (each, a Questcor Employee Stock Option) granted under any Questcor equity plan that is vested, outstanding and unexercised immediately prior to the effective time of the Merger will be cancelled and converted into the right to receive the Merger Consideration after taking into account the exercise price for such option.

In addition, as of immediately prior to the effective time of the Merger, each Questcor Employee Stock Option granted under any Questcor equity plan that is unvested, outstanding and unexercised immediately prior to the effective time of the Merger will be assumed by Mallinckrodt and will be converted into a stock option to acquire (a Mallinckrodt Stock Option) a number of Mallinckrodt ordinary shares (rounded down to the nearest whole share)

equal to the product of (i) the number of shares of Questcor common stock subject to such Questcor Employee Stock Option multiplied by (ii) the Equity Award Exchange Ratio, at an exercise price per share of Mallinckrodt ordinary shares (rounded up to the nearest whole cent) equal to the quotient obtained by dividing

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(x) the exercise price per share of Questcor common stock of such Questcor Employee Stock Option by (y) the Equity Award Exchange Ratio. Each such Mallinckrodt Stock Option as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the Questcor Stock Option immediately prior to the effective time of the Merger.

As of immediately prior to the effective time of the Merger, each award of restricted shares of Questcor common stock granted to a non-employee director (each, a Questcor Director Restricted Share Award) under any Questcor equity plan that is outstanding immediately prior to the effective time of the Merger will fully vest and become nonforfeitable, and will be converted into the right to receive the Merger Consideration per share of Questcor common stock subject to such Questcor Director Restricted Share Award.

As of immediately prior to the effective time of the Merger, each award of restricted shares of Questcor common stock other than a Questcor Director Restricted Share Award (each, a Questcor Employee Restricted Share Award) granted under any Questcor equity plan that is outstanding immediately prior to the effective time of the Merger will be assumed by Mallinckrodt and will be converted into an award of restricted stock (each, a Mallinckrodt Restricted Share Award) with respect to a number of Mallinckrodt ordinary shares equal to the product of (i) the number of shares of Questcor common stock subject to such Questcor Employee Restricted Share Award multiplied by (ii) the Equity Award Exchange Ratio. Each Mallinckrodt Restricted Share Award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Questcor Employee Restricted Share Award immediately prior to the effective time of the Merger.

As of immediately prior to the effective time of the Merger, each Questcor RSU Award granted under any Questcor equity plan that is not then vested will be assumed by Mallinckrodt and will be converted into a Mallinckrodt RSU Award with respect to the number of Mallinckrodt ordinary shares equal to the product of (i) the number of shares of Questcor common stock underlying the applicable Questcor RSU Award multiplied by (ii) the Equity Award Exchange Ratio. Each Mallinckrodt RSU Award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Questcor RSU Award immediately prior to the effective time of the Merger.

Notwithstanding the foregoing, as of immediately prior to the effective time of the Merger, each Questcor Restricted Share Award and Questcor RSU Award that is subject to performance-based vesting conditions and is outstanding immediately prior to the effective time of the Merger will be cancelled and converted into the right to receive the Merger Consideration in respect of each share of Questcor common stock underlying such Questcor Restricted Share Award or Questcor RSU Award, as applicable.

Treatment of Questcor Employee Stock Purchase Plan

The ESPP will not allow participants to increase their payroll deductions from those in effect on the date of the Merger Agreement. In addition, following the purchase of Questcor common stock pursuant to the ESPP offering period that begins on June 1, 2014, the ESPP will be suspended and no new offering period will commence. Subject to the consummation of the Merger, the ESPP will terminate, effective immediately prior to the effective time of the Merger, and any rights outstanding under the ESPP as of immediately prior to the effective time of the Merger will terminate and Questcor will distribute to each ESPP participant such participant s accumulated payroll deductions.

Withholding

Under the terms of the Merger Agreement, Mallinckrodt and Questcor have agreed that the parties will be entitled to deduct and withhold, or cause the exchange agent to deduct and withhold, from the Merger Consideration payable to

any holder of Questcor common stock pursuant to the Merger Agreement, any amounts as are required to be withheld or deducted with respect to such consideration under the Code or any applicable

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provisions of state, local or foreign tax law. To the extent that amounts are so withheld and timely remitted to the appropriate governmental entity, such withheld amounts will be treated for all purposes of the Merger Agreement as having been paid to the holder of Questcor common stock in respect of which such deduction and withholding was made.

No Fractional Shares

No holder of Questcor common stock will be issued fractional Mallinckrodt ordinary shares in the Merger. Each holder of Questcor common stock converted pursuant to the Merger who would otherwise have been entitled to receive a fraction of a Mallinckrodt ordinary share will receive, in lieu thereof, cash, without interest, in an amount equal to such fractional part of a Mallinckrodt ordinary share multiplied by the volume weighted average price of Mallinckrodt ordinary shares for a ten (10) trading day period, starting with the opening of trading on the eleventh (11th) trading day prior to the closing date of the Merger and ending with the closing of trading on the second to last trading day prior to the closing date of the Merger, as reported by Bloomberg.

Representations and Warranties

Mallinckrodt and Questcor made customary representations and warranties in the Merger Agreement on behalf of themselves and their respective subsidiaries that are subject, in some cases, to specified exceptions and qualifications contained in the Merger Agreement or in information provided pursuant to certain disclosure schedules to the Merger Agreement that were exchanged between Mallinckrodt and Questcor. The representations and warranties made by Mallinckrodt and Questcor are also subject to and qualified by certain information included in certain filings each party and its affiliates have made with the SEC.

Many of the representations and warranties are reciprocal and apply to Mallinckrodt or Questcor, as applicable, and their respective subsidiaries. Some of the more significant representations and warranties relate to:

- corporate organization, existence and good standing and requisite corporate power and authority to carry on business;
- capital structure;
- corporate authority to enter into the Merger Agreement and the enforceability thereof;
- required governmental approvals;
- the absence of any breach or violation of organizational documents or contracts as a result of the consummation of the transaction;
- SEC reports and financial statements, including their preparation in accordance with GAAP, filing or furnishing with the SEC, and compliance with the applicable rules and regulations promulgated thereunder,

and that such reports and financial statements fairly present, in all material respects, the relevant financial position and results of operations;

the maintenance of internal disclosure controls and internal control over financial reporting;

the absence of undisclosed liabilities;

compliance with laws and government regulations, including environmental laws;

compliance with applicable laws related to employee benefits and the Employment Retirement Income Security Act;

the absence of certain changes since December 31, 2013 (in the case of Questcor) or September 27, 2013 (in the case of Mallinckrodt) that have had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect;

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the absence of any actions since December 31, 2013 (in the case of Questcor) or December 27, 2013 (in the case of Mallinckrodt) that would constitute a breach of certain interim operating covenants if such action was taken between the date of the Merger Agreement and the closing of the Merger;

the absence of certain material litigation, claims and actions;

the reliability and accuracy of information supplied for this joint proxy statement/prospectus;

certain regulatory matters relating to, among other relevant authorities, the Federal Food, Drug and Cosmetic Act of 1938, as amended, the Public Health Service Act, the U.S. Food and Drug Administration, and health insurance and healthcare laws;

the accuracy and completeness of certain tax matters;

the absence of collective bargaining agreements and other employment and labor matters;

ownership of or right to intellectual property, and absence of infringement;

title and rights to, and condition of, real property;

the receipt of fairness opinion(s);

the requisite vote of shareholders;

the existence of and compliance with certain material contracts;

the existence and maintenance of insurance;

the absence of undisclosed brokers fees or finders fees relating to the transaction;

compliance with the Foreign Corrupt Practices Act of 1977, as amended, and anti-corruption laws in other jurisdictions;

conformity with good manufacturing practices; and

the absence of applicability of anti-takeover laws or regulations to this transaction.

Mallinckrodt made additional representations and warranties in the Merger Agreement in relation to:

the financing commitments obtained in connection with the execution of the Merger Agreement; and

the business of Merger Sub.

Many of the representations and warranties made by each of Mallinckrodt and Questcor are qualified by a material adverse effect standard (that is, they will not be deemed untrue or incorrect unless their failure to be true or correct, individually or in the aggregate has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect). Certain of the representations and warranties are qualified by a general materiality standard or by a knowledge standard. For the purpose of the Merger Agreement, a material adverse effect with respect to each of Mallinckrodt and Questcor means any change, effect, development, circumstance, condition, state of facts, event or occurrence that, individually or in the aggregate, has a material adverse effect on the condition (financial or otherwise), business or results of operations of the relevant party and its subsidiaries, taken as a whole, excluding:

any changes in general United States or global economic conditions to the extent that such effects do not disproportionately impact the relevant party relative to other companies operating in the industry or industries in which such party operates;

conditions (or changes therein) in any industry or industries in which the relevant party operates to the extent that such effects do not disproportionately impact such party relative to other companies operating in such industry or industries;

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general legal, tax, economic, political and/or regulatory conditions (or changes therein), including any changes affecting financial, credit or capital market conditions, to the extent that such effects do not disproportionately impact the relevant party relative to other companies operating in the industry or industries in which such party operates;

any change in GAAP or interpretation thereof to the extent that such effects do not disproportionately impact the relevant party relative to other companies operating in the industry or industries in which such party operates;

any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any applicable law of or by any governmental entity to the extent that such effects do not disproportionately impact the relevant party relative to other companies operating in the industry or industries in which such party operates;

the execution and delivery of the Merger Agreement or the consummation of the Merger, or any actions expressly required by, or the failure to take any action expressly prohibited by, the terms of the Merger Agreement (provided, however, that the exceptions in this clause will not apply to certain of the relevant party s representations and warranties);

changes in the stock price of the respective party, in and of itself (although the facts or occurrences giving rise or contributing to such changes that are not otherwise excluded from the definition of a material adverse effect may be taken into account);

any failure by the relevant party to meet any internal or published projections, estimates or expectations of such relevant party s revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by such relevant party to meet its internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself (although the facts or occurrences giving rise or contributing to such failure that are not otherwise excluded from the definition of a material adverse effect may be taken into account);

effects arising out of changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of the Merger Agreement, to the extent that such effects do not disproportionately impact the relevant party relative to other companies operating in the industry or industries in which such party operates;

for the purposes of determining whether certain closing conditions have been satisfied, as disclosed (including as deemed disclosed pursuant to the Merger Agreement) with respect to the representations and warranties regarding the absence of the occurrence of a material adverse effect;

the public announcement of the Merger Agreement or the Merger;

any action or failure to take any action that is consented to or requested by the relevant party in writing; or

any reduction in the credit rating of the relevant party or its subsidiaries, in and of itself (although the facts or occurrences giving rise or contributing to such reduction that are not otherwise excluded from the definition of a material adverse effect may be taken into account).

THE MERGER AGREEMENT CONTAINS REPRESENTATIONS AND WARRANTIES MADE BY AND TO THE PARTIES AS OF SPECIFIC DATES. THE STATEMENTS EMBODIED IN THOSE REPRESENTATIONS AND WARRANTIES WERE MADE FOR PURPOSES OF THE CONTRACT BETWEEN THE PARTIES AND ARE SUBJECT TO QUALIFICATIONS AND LIMITATIONS AGREED BY THE PARTIES IN CONNECTION WITH NEGOTIATING THE TERMS OF THE MERGER AGREEMENT AND IN SOME CASES WERE QUALIFIED BY CONFIDENTIAL DISCLOSURES MADE BY THE PARTIES, WHICH DISCLOSURES ARE NOT REFLECTED IN THE MERGER AGREEMENT ATTACHED

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AS ANNEX A TO THIS JOINT PROXY STATEMENT/PROSPECTUS. IN ADDITION, CERTAIN REPRESENTATIONS AND WARRANTIES WERE MADE AS OF A SPECIFIED DATE OR MAY HAVE BEEN USED FOR THE PURPOSE OF ALLOCATING RISK BETWEEN THE PARTIES RATHER THAN ESTABLISHING MATTERS AS FACTS. THE DESCRIPTION OF THE MERGER AGREEMENT IN THIS JOINT PROXY STATEMENT/PROSPECTUS HAS BEEN INCLUDED TO PROVIDE YOU WITH INFORMATION REGARDING ITS TERMS.

No Survival of Representations and Warranties

The representations and warranties in the Merger Agreement of each of Mallinckrodt and Questcor on behalf of itself and its subsidiaries will not survive the consummation of the Merger or the termination of the Merger Agreement pursuant to its terms.

Covenants and Agreements

Conduct of Business Pending the Closing Date

At all times from the execution of the Merger Agreement until the effective time, and subject to specified exceptions, except as required by law, specifically required by the Merger Agreement or with the prior written consent of the other party (such consent not to be unreasonably withheld, delayed or conditioned), each of Mallinckrodt and Questcor have agreed to, and have agreed to cause their respective subsidiaries to, conduct their respective businesses in all material respects in the ordinary course of business consistent with past practice.

At all times from the execution of the Merger Agreement until the effective time, except as required by law, specifically required by the Merger Agreement or with the prior written consent of Mallinckrodt (such consent not to be unreasonably withheld, delayed or conditioned), subject to specified exceptions, Questcor has generally agreed not to, and agreed not to allow its subsidiaries to:

authorize or pay any dividend or distribution with respect to outstanding shares except for (i) two cash dividends on the Questcor common stock not to exceed $0.30 per share per dividend, and (ii) dividends and distributions paid by a subsidiary on a pro rata basis in the ordinary course consistent with past practice or by a wholly owned subsidiary of Questcor to Questcor or another wholly owned subsidiary of Questcor;

split, combine, reduce or reclassify any of its capital stock, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares in its capital, except for any such transaction by a wholly owned subsidiary of Questcor which remains a wholly owned subsidiary of Questcor after consummation of such transaction;

except as required by applicable law, any Questcor compensatory or benefit arrangement (collectively referred to as the Questcor benefit plans) in existence as of the date of the Merger Agreement and subject to certain exceptions, (i) increase the compensation or benefits payable or to become payable to any of its directors, officers, employees or individual independent contractors other than increases in annual base salaries and target incentive compensation at times and in amounts in the ordinary course of business consistent with the annual salary review and incentive payout schedule in effect as of the date of the Merger

Agreement, (ii) grant to any of its directors, officers, employees or individual independent contractors any increase in severance or termination pay, (iii) pay or award, or commit to pay or award, any bonuses or incentive compensation, (iv) enter into any employment, severance, or retention agreement (excluding offer letters that provide for no severance or change in control benefits) with any of its directors, officers, employees or individual independent contractors, (v) establish, adopt, enter into, amend or terminate any collective bargaining agreement or Questcor benefit plan except any amendments in the ordinary course of business consistent with past practice that do not contravene the other covenants described in this section or materially increase the cost to Questcor, in the aggregate, of maintaining such Questcor benefit plan, (vi) take any action to accelerate any payment or benefit, or

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the funding of any payment or benefit, payable or to become payable to any of its directors, officers, employees or individual independent contractors, (vii) terminate the employment of any executive officer of Questcor or any employee of Questcor who (A) is party to an employment agreement with Questcor or (B) with respect to a termination of employment that occurs (I) prior to June 1, 2014, then holds unvested Questcor equity awards with respect to at least 5,000 shares of Questcor common stock or (II) on or after June 1, 2014, then holds unvested Questcor equity awards with respect to at least 2,500 shares of Questcor common stock, in each case, other than for cause, or (viii) hire any employee or individual independent contractor having total annual cash compensation in excess of $300,000;

make any change in financial accounting policies or procedures or any of its methods of reporting income, deductions or other material items for financial accounting purposes, except as required by GAAP, applicable law or SEC policy;

authorize, announce an intention to authorize, or enter into agreements with respect to any acquisitions of an equity interest in or the assets of any person or any business or division thereof, or any mergers, consolidations or business combinations, except for (i) such transactions that collectively do not have purchase prices that exceed $10 million in the aggregate (provided that any such transactions, individually or in the aggregate, would not reasonably be expected to prevent or materially delay or impede the consummation of the Merger and other transactions contemplated by the Merger Agreement), (ii) transactions between Questcor and a wholly owned subsidiary of Questcor or between wholly owned subsidiaries of Questcor or (iii) purchases of raw materials, supplies or inventory made in the ordinary course of business consistent with past practice;

amend the articles of incorporation or bylaws of Questcor or permit any significant subsidiary or other material subsidiary of Questcor to adopt amendments to its governing documents;

issue, deliver, grant, sell, pledge, dispose of or encumber, or authorize the issuance, delivery, grant, sale, pledge, disposition or encumbrance of, any shares in its capital stock (including restricted stock), voting securities or other equity interest in Questcor or any subsidiary of Questcor or any securities convertible into or exchangeable for any such shares, voting securities or equity interest, or any rights, warrants or options to acquire any such shares in its capital stock, voting securities or equity interest or any phantom stock, phantom stock rights, stock appreciation rights or stock based performance units or take any action to cause to be exercisable any otherwise unexercisable Questcor equity award under any existing Questcor equity plan (except as otherwise provided by the express terms of any Questcor equity award outstanding on the date of the Merger Agreement), other than (i) issuances of Questcor common stock in respect of any exercise of Questcor stock options or the vesting, lapse of restrictions with respect to or settlement of Questcor equity awards either outstanding on the date of the Merger Agreement or issued pursuant to clause (iii) below, and in each case, in accordance with their respective terms, (ii) transactions between Questcor and a wholly owned subsidiary of Questcor or between wholly owned subsidiaries of Questcor or (iii) issuances of Questcor equity awards to new hires and/or promoted employees of Questcor, in an aggregate amount not to exceed 200,000 shares of Questcor common stock; provided, however, that no such Questcor equity awards will be granted to any person who is an executive officer of Questcor as of the date of the Merger Agreement;

purchase, redeem or otherwise acquire any shares in its capital or any rights, warrants or options to acquire any such shares in its capital, except for (i) acquisitions of Questcor common stock tendered by holders of Questcor equity awards in order to satisfy obligations to pay the exercise price and/or tax withholding obligations with respect thereto, (ii) the acquisition by Questcor of Questcor equity awards in connection with the forfeiture of such awards and (iii) transactions between Questcor and a wholly owned subsidiary of Questcor or between wholly owned subsidiaries of Questcor;

redeem, repurchase, prepay (other than prepayments of revolving loans), defease, incur, assume, endorse, guarantee or otherwise become liable for or modify in any material respects the terms of any indebtedness for borrowed money or issue or sell any debt securities or calls, options, warrants or other rights to acquire any debt securities (directly, contingently or otherwise), except for (i) any

indebtedness for borrowed money among Questcor and its wholly owned subsidiaries or among wholly owned subsidiaries of Questcor, (ii) indebtedness for borrowed money incurred to replace, renew, extend, refinance or refund any existing indebtedness for borrowed money of Questcor or any of the subsidiaries of Questcor maturing on or prior to the six (6) month anniversary of the date of such refinancing, (iii) guarantees by Questcor of indebtedness for borrowed money of subsidiaries of Questcor or guarantees by subsidiaries of Questcor of indebtedness for borrowed money of Questcor or any subsidiary of Questcor, which indebtedness is incurred in compliance with clause (i) above, (iv) indebtedness for borrowed money incurred pursuant to agreements entered into by Questcor or any subsidiary of Questcor in effect prior to the execution of the Merger Agreement and set forth on the applicable schedule of the Merger Agreement and subject to specified conditions, (v) transactions at the stated maturity of such indebtedness and required amortization or mandatory prepayments and (vi) indebtedness for borrowed money not to exceed $5 million in aggregate principal amount outstanding at any time incurred by Questcor or any of the subsidiaries of Questcor other than in accordance with clauses (i) through (v), inclusive; provided that nothing contained in the Merger Agreement shall prohibit Questcor and the subsidiaries of Questcor from making guarantees or obtaining letters of credit or surety bonds for the benefit of commercial counterparties in the ordinary course of business consistent with past practice;

make any loans to any other person, except for loans among Questcor and its wholly owned subsidiaries or among Questcor s wholly owned subsidiaries;

sell, lease, license, transfer, exchange, swap or otherwise dispose of, or subject to any lien, any of its material properties or assets, except (i) pursuant to existing agreements, (ii) liens for permitted indebtedness, (iii) sales of inventory, or dispositions of obsolete or worthless equipment, in the ordinary course of business, (iv) such transactions with neither a fair market value of the assets or properties nor an aggregate purchase price that exceeds $10 million in the aggregate for all such transactions and (v) for transactions among Questcor and its wholly owned subsidiaries or among wholly owned subsidiaries of Questcor;

settle any material claim, litigation, investigation or proceeding pending against Questcor or any of its subsidiaries, or any of their officers and directors in their capacities as such, other than a settlement that (i) is for an amount not to exceed, individually or in the aggregate, $5 million, (ii) does not impose any injunctive relief on Questcor or any of its subsidiaries or (iii) does not provide for the license of any intellectual property of Questcor;

make or change any material tax election, change any method of tax accounting, file any amended tax return, settle or compromise any audit or proceeding relating to a material amount of taxes, agree to an extension or waiver of the statute of limitations with respect to a material amount of taxes, enter into any closing agreement within the meaning of Section 7121 of the Code (or any similar provision of state, local, or non-U.S. law) with respect to any material tax, surrender any right to claim a material tax refund, or take any action that would require the filing of a gain recognition agreement (within the meaning of the Treasury Regulations promulgated under Section 367 of the Code) to avoid current recognition of a material amount of income or gain for U.S. federal income tax purposes;

except in the ordinary course of business consistent with past practice or in accordance with Questcor s anticipated 2014-2015 capital expenditures described on the applicable schedule of the Merger Agreement, make any new capital expenditure or expenditures, or commit to do so;

except in the ordinary course of business consistent with past practice, enter into a material contract, or materially amend, modify or terminate any existing material contract or waive, release or assign any material rights or claims thereunder; or

agree, in writing or otherwise, to take any of the foregoing actions.

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At all times from the execution of the Merger Agreement until the effective time, except as required by law, specifically required by the Merger Agreement or with the prior written consent of Questcor (such consent not to be unreasonably withheld, delayed or conditioned), subject to certain exceptions, Mallinckrodt has generally agreed not to, and agreed not to allow its subsidiaries to:

authorize or pay any dividend or distribution with respect to outstanding shares other than dividends and distributions paid by a subsidiary on a pro rata basis in the ordinary course consistent with past practice or by a wholly owned subsidiary of Mallinckrodt to Mallinckrodt or another wholly owned subsidiary of Mallinckrodt;

split, combine, reduce or reclassify any of its issued or unissued shares, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares in its capital, except for any such transaction by a wholly owned subsidiary of Mallinckrodt which remains a wholly owned subsidiary of Mallinckrodt after consummation of such transaction;

authorize, announce an intention to authorize or enter into agreements with respect to any acquisitions of an equity interest in or the assets of any person or entity or any business or division thereof, or any Merger, consolidations or business combinations or any acquisitions of equity or assets, Merger, consolidations or business combinations that would reasonably be expected to prevent or materially delay or impede the consummation of the transactions contemplated by the Merger Agreement;

amend the articles of association or the memorandum of association of Mallinckrodt or permit Merger Sub to amend its organizational documents;

issue, deliver, grant, sell, pledge, dispose of or encumber, or authorize the issuance, delivery, grant, sale, pledge, disposition or encumbrance of, any shares (including restricted shares), voting securities or other equity interest in Mallinckrodt or any subsidiary of Mallinckrodt or any securities convertible into or exchangeable for any such shares, voting securities or equity interest, or any rights, warrants or options to acquire any such shares in its capital stock, voting securities or equity interest or any phantom stock, phantom stock rights, stock appreciation rights or stock based performance units, other than (i) issuances of Mallinckrodt ordinary shares in respect of any exercise of Mallinckrodt Stock Options or the vesting, lapse of restrictions with respect to or settlement of Mallinckrodt equity awards, (ii) transactions between Mallinckrodt and a wholly owned subsidiary of Mallinckrodt or between wholly owned subsidiaries of Mallinckrodt, (iii) issuance of Mallinckrodt equity awards, (iv) other issuances of Mallinckrodt ordinary shares for an amount not exceeding $5 million in the aggregate, (v) pledges of equity interests of any subsidiary of Mallinckrodt pursuant to the terms of any agreement governing existing indebtedness of Mallinckrodt or any of its subsidiaries, and (vi) in connection with any acquisitions of an equity interest in or any assets of any person or any business or division thereof, or any mergers, consolidations or business combinations otherwise permitted by the Merger Agreement;

purchase, redeem or otherwise acquire any shares in its capital or any rights, warrants or options to acquire any such shares in its capital, except for (i) acquisitions of Mallinckrodt ordinary shares tendered by holders of Mallinckrodt equity awards in order to satisfy obligations to pay the exercise price and/or tax withholding obligations with respect thereto, (ii) the acquisition by Mallinckrodt of Mallinckrodt equity awards in connection with the forfeiture of such awards, (iii) transactions between Mallinckrodt and a wholly owned subsidiary of Mallinckrodt or between wholly owned subsidiaries of Mallinckrodt or (iv) other acquisitions of Mallinckrodt ordinary shares for an amount not exceeding $10 million in the aggregate;

make or change any material tax election, change any method of tax accounting, file any amended tax return, settle or compromise any audit or proceeding relating to a material amount of taxes, agree to an extension or waiver of the statute of limitations with respect to a material amount of taxes, enter into any closing agreement within the meaning of Section 7121 of the Code (or any similar provision of state, local, or non-U.S. law) with respect to any material tax or surrender any right to claim a material

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tax refund, or take any action or fail to take any action which action or inaction would cause Mallinckrodt to be treated as a domestic corporation for U.S. federal income tax purposes (including as a result of the Merger);

convene any meeting of the holders of Mallinckrodt ordinary shares for the purpose of revoking or varying authority of the directors of Mallinckrodt to allot Mallinckrodt ordinary shares;

make any change in financial accounting policies or procedures or any of its methods of reporting income, deductions or other material items for financial accounting purposes, except as required by GAAP, applicable law or SEC policy; or

agree, in writing or otherwise, to take any of the foregoing actions.

Employee Matters

The Merger Agreement provides that Mallinckrodt will, or will cause the surviving corporation to, assume, honor and fulfill all of Questcor s benefit plans in accordance with their terms as in effect immediately prior to the date of the Merger Agreement or as subsequently amended as permitted pursuant to the terms of such benefit plans or as permitted under the Merger Agreement. The Merger Agreement further provides that for no less than the one-year period following the effective time of the Merger, Mallinckrodt will provide, or will cause the surviving corporation to provide, to each employee of Questcor and/or its subsidiaries who continues to be employed by Mallinckrodt or the surviving corporation or any subsidiary thereof (each, a Continuing Employee), the following:

compensation (including, without limitation, cash incentive compensation opportunities, but excluding any equity-based compensation), that is no less favorable than the compensation provided to such employee immediately prior to the effective time of the Merger;

equity-based compensation that is no less favorable than the equity-based compensation provided to similarly situated employees of Mallinckrodt; and

employee benefits that are, in the aggregate, no less favorable than those provided to such employee immediately prior to the effective time of the Merger.

In addition, the Merger Agreement provides that effective as of the effective time of the Merger and for a period of no less than one year thereafter, each Continuing Employee will be eligible to participate in any applicable severance plans, programs and/or arrangements maintained by Mallinckrodt and in accordance with terms and conditions agreed upon by Questcor and Mallinckrodt in connection with entering into the Merger Agreement.

Moreover, effective as of the effective time of the Merger and thereafter Mallinckrodt will provide, or will cause the surviving corporation to provide, that periods of employment with Questcor will be taken into account for all purposes under all employee benefit plans maintained by Mallinckrodt or an affiliate of Mallinckrodt for the benefit of the Continuing Employees, including vacation or other paid-time-off plans or arrangements, 401(k), pension or other retirement plans and any severance or health or welfare plans (other than for purposes of determining any accrued

benefit under any defined benefit pension plan or as would result in a duplication of benefits).

Effective as of the effective time of the Merger and thereafter, Mallinckrodt will, and will cause the surviving corporation to, (i) ensure that no eligibility waiting periods, actively-at-work requirements or pre-existing condition limitations or exclusions will apply with respect to the Continuing Employees under the applicable health and welfare benefit plans of Mallinckrodt or any affiliate of Mallinckrodt (except to the extent applicable under any Questcor benefit plans immediately prior to the effective time of the Merger), (ii) waive any and all evidence of insurability requirements with respect to such Continuing Employees to the extent such evidence of insurability requirements were not applicable to the Continuing Employees under the Questcor

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benefit plans immediately prior to the effective time of the Merger, and (iii) credit each Continuing Employee with all deductible payments, out-of-pocket or other co-payments paid by such employee under the Questcor benefit plans prior to the closing date during the year in which the closing of the Merger occurs for the purpose of determining the extent to which any such employee has satisfied his or her deductible and whether he or she has reached the out-of-pocket maximum under any health benefit plan of Mallinckrodt or an affiliate of Mallinckrodt for such year.

Litigation Relating to the Transaction

The Merger Agreement requires each party to provide the other party prompt oral notice of any litigation brought by any shareholder of that party against such party, any of its subsidiaries and/or any of their respective directors relating to the Merger, the Merger Agreement or any of the transactions. Unless (i) in the case of such litigation with respect to Questcor, the Questcor board of directors has made or is considering making a Questcor change of recommendation or (ii) in the case of such litigation with respect to Mallinckrodt, the Mallinckrodt board of directors has made or is considering making a Mallinckrodt change of recommendation, each party will give the other party the opportunity to participate (at such other party s expense) in the defense or settlement of any such litigation, and no such settlement will be agreed to without the other party s prior written consent, which consent will not be unreasonably withheld or delayed, except that the other party will not be obligated to consent to any settlement which does not include a full release of such other party and its affiliates or which imposes an injunction or other equitable relief after the effective time of the Merger upon Mallinckrodt or any of its affiliates. For a description of the current litigation related to the Merger Agreement and the Merger see *Litigation Relating to the Transaction* beginning on page 170 of this joint proxy statement/prospectus.

Financing Cooperation

Mallinckrodt shall cause MIFSA to take, or use its reasonable best efforts to cause to be taken all actions, and do, or use its reasonable best efforts to cause to be done, all things necessary to obtain the debt financing on or prior to the closing date of the Merger on the terms and conditions set forth in the debt commitment letter. Mallinckrodt will keep Questcor reasonably informed on a reasonably current basis of the status of such financing.

Questcor and its subsidiaries will provide (and use reasonable best efforts to cause their respective personnel and advisors to provide) such assistance with the debt financing as is reasonably requested by Mallinckrodt.

Board of Directors and Management after the Transaction

The Merger Agreement requires Mallinckrodt to take such actions as are necessary to cause Don M. Bailey, Angus C. Russell and Virgil D. Thompson to become members of the Mallinckrodt board of directors immediately after the effective time of the Merger. Any new members appointed to the Mallinckrodt board of directors will be ratified by the Nominating and Governance Committee of the Mallinckrodt board of directors pursuant to the director nomination process set forth in Mallinckrodt s proxy statement on Schedule 14A filed with the SEC on January 24, 2014, to serve on the Mallinckrodt board of directors, initially, until the next annual general meeting of Mallinckrodt s shareholders in accordance with the organizational documents of Mallinckrodt. The new members will also be nominated by the Mallinckrodt board of directors for election (or re-election) to the Mallinckrodt board of directors at the next annual general meeting of Mallinckrodt s shareholders in accordance with the organizational documents of Mallinckrodt, to serve until the next subsequent annual general meeting of the Mallinckrodt s shareholders and until their respective successors are duly elected and qualify. If any of Don M. Bailey, Angus C. Russell and Virgil D. Thompson refuse, or are unable, to serve on the Mallinckrodt board of directors, a mutually agreeable replacement will be selected by Questcor and Mallinckrodt and ratified by the Nominating and Governance Committee of the Mallinckrodt board of directors in accordance with the director nomination process discussed above in this paragraph.

In addition, the Mallinckrodt board of directors will take such actions as are necessary to create, immediately after the effective time of the Merger, a new committee of the Mallinckrodt board of directors,

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which will be composed of three members: the Chief Executive Officer of Questcor as of immediately prior to the effective time of the Merger (who will be the chair of such committee), the Chief Executive Officer of Mallinckrodt as of immediately prior to the effective time of the Merger and the Chair of the Mallinckrodt board of directors as of immediately prior to the effective time of the Merger.

For additional information about the members of the Mallinckrodt board of directors upon completion of the Merger, see *The Merger Board of Directors and Management after the Transaction* beginning on page 139 of this joint proxy statement/prospectus.

Shareholder Meetings

Under the terms of the Merger Agreement, Mallinckrodt and Questcor must use their respective reasonable best efforts to hold the Mallinckrodt EGM and the Questcor special meeting on the same day and as soon as reasonably practicable after the date of the Merger Agreement.

Recommendation of the Mallinckrodt Board of Directors

The Mallinckrodt board of directors has agreed to recommend to and solicit and use its reasonable best efforts to obtain from the Mallinckrodt shareholders their approval of the Mallinckrodt Share Issuance Proposal in connection with the Merger Agreement. In the event that the Mallinckrodt board of directors makes a change in recommendation (which change in recommendation may only be made prior to the Mallinckrodt EGM (including any postponement or adjournment thereof) in accordance with the terms of the Merger Agreement), then Questcor will have the right to terminate the Merger Agreement.

Any change of recommendation by the Mallinckrodt board of directors will not limit or modify the obligation of Mallinckrodt to present the Mallinckrodt Share Issuance Proposal in connection with the Merger Agreement for approval at the Mallinckrodt EGM as promptly as reasonably practicable after the Merger Agreement and, if the Merger Agreement is not otherwise terminated by either Mallinckrodt or Questcor in accordance with the terms of the Merger Agreement, then the Mallinckrodt Share Issuance Proposal will be submitted to the Mallinckrodt shareholders at the Mallinckrodt EGM for the purpose of voting on approving such proposal.

Recommendation of the Questcor Board of Directors

The Questcor board of directors has agreed to recommend to and solicit and use its reasonable best efforts to obtain from the Questcor shareholders their approval of the Merger Proposal. In the event that the Questcor board of directors makes a change in recommendation (which change in recommendation may only be made prior to the Questcor special meeting (including any postponement or adjournment thereof) in accordance with the terms of the Merger Agreement), then Mallinckrodt will have the right to terminate the Merger Agreement.

Any change of recommendation by the Questcor board of directors will not limit or modify the obligation of Questcor to present the Merger Proposal for approval at the Questcor special meeting as promptly as reasonably practicable after the date of the Merger Agreement and, if the Merger Agreement is not otherwise terminated by either Mallinckrodt or Questcor in accordance with the terms of the Merger Agreement, then the Merger Proposal will be submitted to the Questcor shareholders at the Questcor special meeting for the purpose of voting on approving such proposal.

Mallinckrodt Shareholders Meeting

Mallinckrodt has agreed to take, in accordance with applicable law and its organizational documents, all action necessary to establish a record date for, duly call, give notice of, convene and hold the Mallinckrodt EGM as promptly as reasonably practicable following the date of the Merger Agreement. However, Mallinckrodt may

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make one or more successive postponements or adjournments of the Mallinckrodt EGM; provided that the Mallinckrodt EGM is not postponed or adjourned to a date that is more than thirty (30) days after the date for which the Mallinckrodt EGM was originally scheduled (other than any adjournments or postponements required by applicable law, including adjournments or postponements to the extent reasonably necessary or advisable to ensure that any required supplement or amendment to this joint proxy statement/prospectus is provided or made available to the Mallinckrodt shareholders or to permit dissemination of information which is material to shareholders voting at the Mallinckrodt EGM and to give such Mallinckrodt shareholders sufficient time to evaluate any such supplement or amendment or other information). Nothing contained in the Merger Agreement is deemed to relieve Mallinckrodt of its obligation to submit the issuance of Mallinckrodt ordinary shares in the Merger to its shareholders for a vote on the approval thereof.

Questcor Shareholders Meeting

Questcor has agreed to take, in accordance with applicable law and its organizational documents, all action necessary to establish a record date for, duly call, give notice of, convene and hold the Questcor special meeting as promptly as reasonably practicable following the date of the Merger Agreement. However, Questcor may make one or more successive postponements or adjournments of the Questcor special meeting; provided that the Questcor special meeting is not postponed or adjourned to a date that is more than thirty (30) days after the date for which the Questcor special meeting was originally scheduled (other than any adjournments or postponements required by applicable law, including adjournments or postponements to the extent reasonably necessary or advisable to ensure that any required supplement or amendment to this joint proxy statement/prospectus is provided or made available to the Questcor shareholders or to permit dissemination of information which is material to shareholders voting at the Questcor special meeting and to give such Questcor shareholders sufficient time to evaluate any such supplement or amendment or other information). Nothing contained in the Merger Agreement is deemed to relieve Questcor of its obligations to submit the Merger Agreement and the Merger to its shareholders for a vote on approval and adoption thereof.

Reasonable Best Efforts; Regulatory Filings and Other Actions

Under the terms of the Merger Agreement, Mallinckrodt and Questcor have agreed to cooperate with each other and use their respective reasonable best efforts to take all actions necessary, proper or advisable on their respective parts under the Merger Agreement and applicable laws to consummate and make effective the Merger and the other transactions contemplated by the Merger Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all waiting period expirations or terminations, consents, registrations, approvals, authorizations, licenses and other permits necessary or advisable to be obtained from any third party and/or any governmental authorities in order to consummate the transactions contemplated by the Merger Agreement.

In addition, subject to exceptions specified in the Merger Agreement, each of Mallinckrodt and Questcor have agreed to keep each other apprised of the status of matters relating to completion of the transactions contemplated by the Merger Agreement, to permit the other to review in advance any proposed communication with a governmental entity, to give the other the opportunity to attend and participate in any meeting with a governmental entity, to share any communication with a governmental entity, and to furnish each other, upon request, with all information concerning itself, its subsidiaries, affiliates, directors, officers and shareholders or shareholders, as applicable, and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of Mallinckrodt, Questcor or their respective subsidiaries to any third party and/or governmental entity in connection with the Merger and other transactions contemplated by the Merger Agreement.

Mallinckrodt and Questcor have also agreed to use their respective reasonable best efforts to resolve objections, if any, to the transactions contemplated by the Merger Agreement under any antitrust law, including

agreeing to sell or dispose of any assets or businesses, in order to obtain the expiration or termination of any waiting period or any consents, permits, waivers, approvals, authorizations or orders in connection with the consummation of the transactions contemplated by the Merger Agreement. Notwithstanding this obligation, Mallinckrodt is not required to take an action that would result in, or would be reasonably likely to result in, either individually or in the aggregate, a material adverse effect on Mallinckrodt, Questcor and their respective subsidiaries, taken as a whole, after giving effect to the Merger.

No Solicitation; Third-Party Acquisition Proposals

The Merger Agreement contains detailed provisions outlining the circumstances in which Mallinckrodt and Questcor may respond to acquisition proposals received from third parties. Under these reciprocal provisions, each of Mallinckrodt and Questcor have agreed that it will not (and will not permit any of its subsidiaries to, and that it will cause its directors, officers and employees not to, and that it will direct and use its reasonable best efforts to cause its other representatives not to), directly or indirectly:

- solicit, initiate or knowingly encourage or knowingly facilitate (including by way of furnishing information), or engage in discussions or negotiations regarding, any inquiry, proposal or offer, or the making, submission or announcement of any inquiry, proposal or offer (including any inquiry, proposal or offer to its shareholders) which constitutes or would be reasonably expected to lead to a competing acquisition proposal (as defined below);

- participate in any negotiations regarding, or furnish to any person or entity any nonpublic information relating to it or any of its subsidiaries in connection with a competing acquisition proposal;

- engage in discussions with any person or entity with respect to any competing acquisition proposal;

- except as required by the duties of the members of its board of directors under applicable laws, waive, terminate, modify or release any person or entity (other than the other party and its affiliates) from any provision of or grant any permission, waiver or request under any standstill or similar agreement or obligation;

- approve or recommend, or propose publicly to approve or recommend, any competing acquisition proposal;

- withdraw, change, amend, modify or qualify, or otherwise propose publicly to withdraw, change, amend, modify or qualify, in a manner adverse to the other party, the recommendation by the its board of directors to its shareholders to vote in favor of its respective proposals;

- enter into any letter of intent or similar document relating to, or any agreement or commitment providing for, any competing acquisition proposal; or

resolve or agree to do any of the foregoing.

In addition, the Merger Agreement required Mallinckrodt and Questcor to immediately cease, and cause their directors, officers and employees to cease, and to direct and use their reasonable best efforts to cause their other representatives to immediately cease, any and all existing discussions or negotiations with any parties (or provision of any nonpublic information to any parties) conducted theretofore with respect to any competing acquisition proposal or potential competing acquisition proposal. The Merger Agreement required Mallinckrodt and Questcor to promptly inform their representatives of these obligations. Notwithstanding anything to the contrary contained in the Merger Agreement, Mallinckrodt and Questcor and their respective subsidiaries and representatives may (A) seek to clarify and understand the terms and conditions of any inquiry or proposal made by any person or entity solely to determine whether such inquiry or proposal constitutes or could reasonably be expected to lead to a superior proposal (as defined below) and (B) inform a person or entity that has made or, to its knowledge, is considering making a competing acquisition proposal of the non-solicitation provisions of the Merger Agreement.

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If Mallinckrodt or Questcor receives prior to obtaining approval of the Merger Proposal or the Mallinckrodt Share Issuance Proposal, as applicable, a bona fide, unsolicited, written competing acquisition proposal, which its board of directors determines in good faith after consultation with its outside legal and financial advisors (i) constitutes a superior proposal or (ii) would reasonably be expected to result, after the taking of any of the actions referred to in either of clause (x) or (y) below, in a superior proposal, then in either event (if it has not materially breached the non-solicitation provisions of the Merger Agreement with respect to or in a manner that otherwise relates to such competing acquisition proposal) it may take the following actions: (x) furnish nonpublic information to the person or entity making such competing acquisition proposal, if, and only if, prior to so furnishing such information, receives from such person or entity an executed confidentiality agreement with confidentiality terms that are no less favorable in the aggregate to it than those contained in the confidentiality agreement between Mallinckrodt and Questcor (provided, however, that the confidentiality agreement is not required to contain standstill provisions) and (y) engage in discussions or negotiations with such person or entity with respect to the competing acquisition proposal.

The Merger Agreement permits each of the Questcor board of directors and the Mallinckrodt board of directors to comply with Rule 14d-9 and Rule 14e-2(a) under the Exchange Act or make any disclosure to its shareholders if such board of directors determines in good faith, after consultation with outside counsel, that the failure to do so would constitute a breach of the duties of the members of such board of directors under applicable laws.

Definition of Competing Acquisition Proposal

For purposes of the Merger Agreement, the term competing acquisition proposal means any proposal made by a person, entity or group (other than a proposal or offer by either Mallinckrodt or Questcor, or any of their respective subsidiaries, as applicable) at any time which is structured to permit such person, entity or group to acquire beneficial ownership of at least 20% of the assets of, equity interest in, or businesses of, either Mallinckrodt or Questcor (whether pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer or otherwise, including any single or multi-step transaction or series of related transactions), in each case other than the Merger.

Definition of Superior Proposal

For purposes of the Merger Agreement, the term superior proposal means a bona fide proposal or offer constituting a competing acquisition proposal (with references to 20% being deemed to be replaced with references to 50%), which the board of directors of the company in receipt of such proposal determines in good faith after consultation with its outside legal and financial advisors to be (a) more favorable to its shareholders from a financial point of view than the Merger, taking into account all relevant factors (including all the terms and conditions of such proposal or offer and the Merger Agreement (including any changes to the terms of the Merger Agreement proposed by Mallinckrodt or Questcor, as applicable, in response to such offer or otherwise)) and (b) reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal or offer.

Change of Recommendation

The Mallinckrodt board of directors and the Questcor board of directors are entitled to approve or recommend, or propose publicly to approve or recommend a competing acquisition proposal or withdraw, change, amend, modify or qualify its recommendation, in a manner adverse to the other, prior to the approval of the Mallinckrodt Share Issuance Proposal or the Merger Proposal, as applicable:

following receipt of a bona fide, unsolicited, written competing acquisition proposal, which such board of directors determines in good faith after consultation with its outside legal and financial advisors is a superior proposal and if (x) the party receiving such a proposal did not solicit, encourage or facilitate such competing acquisition proposal as a result of a material breach of the non-solicitation provisions

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of the Merger Agreement and (y) its board of directors has determined in good faith after consultation with its outside legal counsel that the failure to take such action would constitute a breach of the duties of the members of the board of directors under applicable laws (such a change of recommendation, an acquisition proposal change of recommendation); or

in response to a change, effect, development, circumstance, condition, state of facts, event or occurrence (that does not relate to a competing acquisition proposal) that was not known to the board of directors, or the material consequences of which (based on facts known to members of the board of directors as of the date of the Merger Agreement) were not reasonably foreseeable, as of the date of the Merger Agreement and if its board of directors has determined in good faith after consultation with its outside legal counsel that the failure to take such action would constitute a breach of the duties of the members of the board of directors under applicable laws (such a change of recommendation, an intervening event change of recommendation) (either an acquisition proposal change of recommendation or an intervening event change of recommendation a change of recommendation).

However, (i) prior to such board of directors making an intervening event change of recommendation, the party making such a change of recommendation must provide the other party with four business days prior written notice advising the other party that it intends to effect an intervening event change of recommendation and specifying, in reasonable detail, the reasons (including the material facts and circumstances related to the applicable intervening event), and during such four business day period, the party changing its recommendation must consider in good faith any proposal by the other party to amend the terms and conditions of the Merger Agreement in a manner that would obviate the need to effect the intervening event change of recommendation and (ii) prior to such board of directors making an acquisition proposal change of recommendation, the party making such a change of recommendation must provide the other party with four business days prior written notice (and any material amendment to the amount or form of consideration payable in connection with the applicable competing acquisition proposal will require a new notice and an additional three business day period) advising the other party that its board of directors intends to take such action and specifying the material terms and conditions of the competing acquisition proposal, and during such four business day period (or subsequent three business day period), the party changing its recommendation will consider in good faith any proposal by the other party to amend the terms and conditions of the Merger Agreement such that such the competing acquisition proposal would no longer constitute a superior proposal.

No change of recommendation will relieve Mallinckrodt from its obligations to submit the Mallinckrodt Share Issuance Proposal to a vote of its shareholders at the Mallinckrodt EGM, nor relieve Questcor from its obligations to submit the Merger Proposal to a vote of its shareholders at Questcor s special meeting.

Obligation to Keep the Other Party Informed

Under the terms of the Merger Agreement, Mallinckrodt and Questcor have also agreed that:

they will notify the other party promptly (but in no event later than 24 hours) after receipt of any competing acquisition proposal, any initial proposals or inquiries that would reasonably be expected to lead to a competing acquisition proposal, or any initial inquiry or request for nonpublic information relating to the other party or any of their respective subsidiaries by any person or entity who has made or would reasonably be expected to make any competing acquisition proposal;

such notice will be made orally and confirmed in writing, and will indicate the identity of the person or entity making the competing acquisition proposal, inquiry or request or with whom Mallinckrodt or Questcor is engaging in discussions or negotiations, and the material terms and conditions of any such proposal or offer or the nature of the information requested pursuant to such inquiry or request;

in addition, they will promptly (but in any event within 24 hours) after the receipt thereof, provide to the other party copies of any written documentation material to understanding a competing acquisition proposal or potential competing acquisition proposal which is received by either Mallinckrodt or

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Questcor from any person or entity (or from any representatives, advisors or agents of such person or entity) making such competing acquisition proposal or with whom discussions or negotiations would reasonably be expected to lead to a competing acquisition proposal;

they will keep the other party reasonably informed of the status and material terms (including any amendments or proposed amendments to such material terms) of any such competing acquisition proposal or potential competing acquisition proposal and keep the other party reasonably informed as to the nature of any information requested with respect thereto; and

will promptly (but in any event within 24 hours) provide to the other party any material nonpublic information concerning their company provided to any other person or entity in connection with any competing acquisition proposal that was not previously provided to the other party.

Certain Additional Covenants

The Merger Agreement also contains additional covenants and agreements, including, among others, covenants relating to the filing of this joint proxy statement/prospectus, access to information of the other company, public announcements with respect to the transactions, exemptions from takeover laws, obligations of Merger Sub, Rule 16b-3 exemptions, the delisting of Questcor common stock and the listing of Mallinckrodt ordinary shares issued in connection with the Merger, the resignation of Questcor directors and certain tax matters.

Conditions to the Completion of the Merger

Under the Merger Agreement, the respective obligations of each party to effect the Merger are subject to the satisfaction or waiver of the following conditions:

Mallinckrodt Shareholder Approval. The Mallinckrodt Share Issuance Proposal must have been approved by an affirmative vote of the holders of a majority of the votes cast by holders of outstanding Mallinckrodt ordinary shares on such a proposal at the Mallinckrodt EGM.

Questcor Shareholder Approval. The Merger Proposal must have been approved by an affirmative vote of the holders of a majority of the outstanding shares of Questcor common stock entitled to vote thereon at the Questcor special meeting.

Registration Statement. The registration statement on Form S-4 of which this document forms a part must have become effective in accordance with the provisions of the Securities Act and no stop order suspending the effectiveness of such registration statement has been issued by the SEC and remain in effect and no proceeding to that effect will have been commenced or threatened.

No Adverse Laws or Order. The absence of (i) any statute, rule or regulation (other than any antitrust law) enacted or promulgated by any governmental entity of competent jurisdiction which prohibits or makes illegal the consummation of the Merger or (ii) any order or injunction of a court of competent jurisdiction

preventing the consummation of the Merger.

Required Antitrust Clearances. (i) Any applicable waiting period (or extension thereof) relating to the Merger under the HSR Act must have expired or been terminated and (ii) no legal proceeding by a governmental entity under any antitrust law of the United States is threatened in writing or pending against Questcor, Mallinckrodt or Merger Sub that is reasonably likely to temporarily or permanently enjoin, restrain or prevent the consummation of the Merger.

Listing. The Mallinckrodt ordinary shares to be issued in the Merger must have been approved for listing on the NYSE, subject to official notice of issuance.

Mallinckrodt Status. Mallinckrodt must not, as a result of any adoption, implementation, promulgation, repeal, modification, amendment, or change of any applicable law of or by any governmental entity following the date of the Merger Agreement and prior to the closing date of the Merger, be treated as a domestic corporation for U.S. federal income tax purposes as of or after the closing date of the Merger.

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Under the Merger Agreement, the respective obligations of Mallinckrodt and Merger Sub to effect the Merger are also subject to the satisfaction or waiver of the following additional conditions:

Representations and Warranties. (i) The representations and warranties of Questcor regarding its capitalization, absence of encumbrances or preemptive or other outstanding rights on its capital stock, corporate authority and absence of undisclosed brokers fees or finders fees must be true and correct in all material respects as of the date of the Merger Agreement and as of the date of the completion of the Merger (except that representations and warranties that by their terms speak specifically as of the date of the Merger Agreement or another date must be true and correct in all material respects as of such date) and (ii) the other representations and warranties of Questcor must be true and correct as of the date of the Merger Agreement and the date of the completion of the Merger (except that representations and warranties that by their terms speak specifically as of the date of the Merger Agreement or another date must be true and correct in all material respects as of such date), except where any failures to be true and correct (without giving effect to any qualification as to materiality or material adverse effect contained therein) would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Questcor; and Mallinckrodt must have received a certificate signed on behalf of Questcor by a duly authorized executive officer of Questcor to such effect.

Performance of Obligations of Questcor. Questcor must have performed or complied in all material respects with the covenants and agreements required to be performed or complied with by it under the Merger Agreement at or prior to the effective time of the Merger; and Mallinckrodt must have received a certificate signed on behalf of Questcor by a duly authorized executive officer of Questcor to such effect.

No Material Adverse Effect. Since the date of the Merger Agreement, Questcor must not have undergone a material adverse effect (as defined above).

Under the Merger Agreement, the obligations of Questcor to effect the Merger are also subject to the satisfaction or waiver of the following additional conditions:

Representations and Warranties. (i) The representations and warranties of Mallinckrodt and Merger Sub regarding their respective capitalization, absence of encumbrances or preemptive or other outstanding rights on its capital stock, corporate authority and absence of undisclosed brokers fees or finders fees must be true and correct in all material respects as of the date of the Merger Agreement and as of the date of the completion of the Merger (except that representations and warranties that by their terms speak specifically as of the date of the Merger Agreement or another date must be true and correct in all material respects as of such date) and (ii) the other representations and warranties of Mallinckrodt must be true and correct as of the date of the Merger Agreement and the date of the completion of the Merger (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or another date must be true and correct in all material respects as of such date), except where any failures to be true and correct (without giving effect to any qualification as to materiality or material adverse effect contained therein) would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Mallinckrodt; and Questcor must have received a certificate signed on behalf of Mallinckrodt by a duly authorized executive officer of Mallinckrodt to such effect.

Performance of Obligations of Mallinckrodt and Merger Sub. Mallinckrodt and Merger Sub must have performed or complied in all material respects with the covenants and agreements required to be performed or complied with by it under the Merger Agreement at or prior to the effective time of the Merger; and Questcor must have received a certificate signed on behalf of Mallinckrodt by a duly authorized executive officer of Mallinckrodt to such effect.

No Material Adverse Effect. Since the date of the Merger Agreement, Mallinckrodt must not have undergone a material adverse effect (as defined above).

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Prior to the effective time of the Merger, the parties may, to the extent permitted by applicable laws and under the terms of the Merger Agreement, (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties contained in the Merger Agreement made to Mallinckrodt or Questcor by the other party, and (iii) waive compliance with any of the agreements or conditions for the benefit of the other party under the Merger Agreement. For additional information see below under *Amendment and Waiver.*

Termination of the Merger Agreement; Termination Fees

Termination

The Merger Agreement may be terminated and the Merger and the other transactions abandoned (whether before or after receipt of the approval of Questcor and Mallinckrodt shareholders) as follows:

by mutual written consent of Mallinckrodt and Questcor;

by either Mallinckrodt or Questcor, prior to the effective time of the Merger, if there has been a breach by Questcor, on the one hand, or Mallinckrodt or Merger Sub, on the other hand, of any representation, warranty, covenant or agreement set forth in the Merger Agreement, which breach would result in the conditions to the consummation of the Merger not being satisfied (and such breach is not curable prior to October 6, 2014 (as may be extended, the Outside Date), or if curable prior to the Outside Date, has not been cured within the earlier of (i) 30 calendar days after the receipt of notice thereof by the defaulting party from the non-defaulting party or (ii) three business days before the Outside Date). However, the Merger Agreement may not be terminated in accordance with the foregoing sentence by any party if such party is then in material breach of any representation, warranty, covenant or agreement set forth in the Merger Agreement;

by either Mallinckrodt or Questcor, if the effective time of the Merger has not occurred by midnight Eastern time on the Outside Date, provided that this right to terminate the Merger Agreement may not be exercised by a party whose breach of any representation, warranty, covenant or agreement in the Merger Agreement is the cause of, or resulted in, the effective time of the Merger not occurring prior to the Outside Date. However, either Mallinckrodt or Questcor may, within three business days immediately prior to October 6, 2014, elect to extend the Outside Date by delivering written notice to the other party stating that if on the Outside Date the only conditions to closing that have not been satisfied or waived (other than those that by their nature are to be satisfied at the closing of the Merger, which conditions must be capable of being satisfied) are conditions relating to HSR clearance, the absence of certain proceedings under competition laws, the absence of any orders or injunctions under antitrust laws and the absence of other laws or orders preventing the consummation of the Merger under antitrust laws, then the Outside Date will be extended by three months until January 6, 2015. In addition, if the marketing period has begun but not been completed by the Outside Date, then the Outside Date will be extended by the number of days remaining in the marketing period as of the Outside Date plus three business days;

by Mallinckrodt, if, prior to the approval of the Merger Proposal, the Questcor board of directors effects a Questcor change of recommendation. This termination right expires at 5:00 p.m. (New York City time) on the fifteenth business day following the date on which such change of recommendation occurs;

by Questcor, if, prior to the approval of the Mallinckrodt Share Issuance Proposal, the Mallinckrodt board of directors effects a Mallinckrodt change of recommendation. This termination right expires at 5:00 p.m. (New York City time) on the fifteenth business day following the date on which such change of recommendation occurs;

by either Mallinckrodt or Questcor if a governmental entity of competent jurisdiction, that is within a jurisdiction that is material to the business and operations of Mallinckrodt and Questcor, taken together, has issued a final, non-appealable order, injunction, decree or ruling in each case permanently restraining, enjoining or otherwise prohibiting the consummation of the Merger;

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by either Mallinckrodt or Questcor, if the approval of the Merger Proposal has not been obtained at the Questcor special meeting or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken; or

by either Mallinckrodt or Questcor, if the approval of the Mallinckrodt Share Issuance Proposal has not been obtained at the Mallinckrodt EGM or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken.

Termination Fees

Termination Fees Payable by Mallinckrodt

The Merger Agreement requires Mallinckrodt to pay Questcor a termination fee of $131,450,000 if:

Mallinckrodt or Questcor terminates the Merger Agreement due to the failure of the Merger to occur by the Outside Date or the failure to obtain the approval of the Mallinckrodt Share Issuance Proposal at the Mallinckrodt EGM or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken, and an acquisition proposal for Mallinckrodt by a third party for more than 50% of the assets, equity interests or business of Mallinckrodt has been publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the Mallinckrodt EGM and (x) any such acquisition proposal is consummated within twelve months of such termination or (y) Mallinckrodt enters into a definitive agreement providing for any such acquisition proposal within twelve months of such termination and such acquisition proposal is consummated; or

Questcor terminates the Merger Agreement because the Mallinckrodt board of directors effects a Mallinckrodt acquisition proposal change of recommendation or a Mallinckrodt intervening event change of recommendation prior to the approval of the Mallinckrodt Share Issuance Proposal.

The Merger Agreement requires Mallinckrodt to pay Questcor a termination fee of $37,560,000 if either Mallinckrodt or Questcor terminates the Merger Agreement because the Mallinckrodt Share Issuance Proposal is not approved by the Mallinckrodt shareholders at the Mallinckrodt EGM or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken. To the extent this $37,560,000 termination fee becomes payable, any payment made for this reason will be credited against Mallinckrodt s obligation to pay the $131,450,000 termination fee described above, should it become payable.

Termination Fees Payable by Questcor

The Merger Agreement requires Questcor to pay Mallinckrodt a termination fee of $194,470,000 if:

Mallinckrodt or Questcor terminates the Merger Agreement due to the failure of the Merger to occur by the Outside Date or the failure to obtain the approval of the Merger Proposal at Questcor s special meeting or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken, and an acquisition proposal for Questcor by a third party for more than 50% of the assets, equity interests or business of Questcor has been publicly disclosed and not publicly, irrevocably withdrawn prior to the date of

the Questcor special meeting and (x) any such acquisition proposal is consummated within twelve months of such termination or (y) Questcor enters into a definitive agreement providing for any such acquisition proposal within twelve months of such termination and such acquisition proposal is consummated; or

Mallinckrodt terminates the Merger Agreement because the Questcor board of directors effects a Questcor acquisition proposal change of recommendation or a Questcor intervening event change of recommendation prior to the approval of the Merger Proposal.

The Merger Agreement requires Questcor to pay Mallinckrodt a termination fee of $55,560,000 if either Mallinckrodt or Questcor terminates the Merger Agreement because the Merger Proposal is not approved by the Questcor shareholders at Questcor s special meeting or at any adjournment or postponement thereof, in each case

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at which a vote on such approval was taken. To the extent this $55,560,000 termination fee becomes payable, any payment made for this reason will be credited against Questcor s obligation to pay the $194,470,000 termination fee described above, should it become payable.

Limitation on Remedies

In the event of the valid termination of the Merger Agreement pursuant to the provisions described under *Termination* above, written notice must be given to the other party or parties specifying the provision pursuant to which such termination is made, and the Merger Agreement will become null and void and there will be no liability on the part of Mallinckrodt, Merger Sub or Questcor, except that the confidentiality agreement, this section and certain other sections of the Merger Agreement will survive such termination, including the obligations to pay the termination fees described under *Termination Fees Termination Fees Payable by Questcor* and *Termination Fees Termination Fees Payable by Mallinckrodt* above. However, no such termination (or payment of termination fee) will relieve any party from liability for fraud or a willful breach (as defined in the Merger Agreement) of its representations, warranties, covenants or agreements in the Merger Agreement prior to such termination. The Merger Agreement provides, for the avoidance of doubt, that the damages recoverable for a willful breach by Mallinckrodt (which may be pursued only by Questcor through actions expressly approved by the Questcor board of directors) will not be limited to reimbursement of Questcor s expenses or out-of-pocket costs, and may include, to the extent proven, other damages suffered by Questcor, and that the calculation of damages suffered by Questcor may include, to the extent proven, loss suffered by Questcor s shareholders (including, to the extent otherwise available under Delaware law under the circumstances, the benefit of the bargain lost by Questcor s shareholders), which will be deemed in such event to be damages of Questcor and not of the Questcor s shareholders themselves.

Fees and Expenses

Except as otherwise expressly provided in the Merger Agreement, all out-of-pocket expenses (including fees and expenses of counsel, accountants, investment bankers, experts and consultants) incurred by or on behalf of a party to the Merger Agreement in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring the expense, except that Mallinckrodt and Questcor will share equally all expenses incurred in connection with (a) printing, filing and mailing this joint proxy statement/prospectus and Form S-4, and all SEC and other regulatory filing fees incurred in connection therewith, (b) the exchange agent, and (c) any documentary, sales, use, real property transfer, real property gains, registration, value-added, transfer, stamp, recording and other similar taxes.

Indemnification; Directors and Officers Insurance

The parties to the Merger Agreement have agreed that, for a period of not less than six years from and after the effective time of the Merger, Mallinckrodt will, and will cause the surviving corporation to, indemnify and hold harmless all past and present directors, officers and employees of Questcor and its subsidiaries, for acts or omissions occurring at or prior to the completion of the Merger, to the same extent as these individuals had rights to indemnification and advancement of expenses as of the date of the Merger Agreement and to the fullest extent permitted by law.

In addition, for an aggregate period of not less than six years following the effective time of the Merger, Mallinckrodt will cause the surviving corporation to provide Questcor s current directors and officers an insurance and indemnification policy that provides coverage for events occurring prior to the effective time of the Merger that is no less favorable than Questcor s existing policy or, if insurance coverage that is no less favorable is unavailable, the best available coverage, subject to the limitation that the surviving corporation will not be required to spend in any one

year more than 300% of the last annual premium paid by Questcor for the existing policy prior to the date of the Merger Agreement. Instead, Questcor may, at its option prior to the effective time of the Merger, purchase a tail prepaid policy, provided that the amount paid for such policy does not exceed 300% of the last annual premium paid prior to the date of the Merger Agreement.

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Amendment and Waiver

The parties may amend the Merger Agreement at any time either before or after the approval of the Merger Proposal or Mallinckrodt Share Issuance Proposal by their written agreement. However, after such approval, no amendment may be made which requires further approval by such shareholder under applicable law unless such further approval is obtained.

Prior to the effective time of the Merger, the parties may, to the extent permitted by applicable laws and under the terms of the Merger Agreement, (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties contained in the Merger Agreement made to Mallinckrodt or Questcor by the other party, and (iii) waive compliance with any of the agreements or conditions for the benefit of any party under the Merger Agreement. Any agreement by a party to such extension or waiver must be in a writing signed by the applicable party. Any delay in exercising any right under the Merger Agreement does not constitute a waiver of such right.

Specific Performance

The parties to the Merger Agreement have agreed that irreparable injury would occur if any provisions of the Merger Agreement are not performed in accordance with their specific terms or are otherwise breached. The parties agreed that, prior to the valid termination of the Merger Agreement pursuant to the provisions described under *Termination* above, each party is entitled to an injunction or injunctions to prevent or remedy any breaches or threatened breaches of the Merger Agreement by any other party, to a decree or order of specific performance to specifically enforce the terms and provisions of the Merger Agreement and to any further equitable relief. The parties agreed to waive any objections to any of the foregoing remedies (including any objection on the basis that there is an adequate remedy at law or that an award of such remedy is not an appropriate remedy for any reason at law or equity). In the event Mallinckrodt or Questcor seeks any of the foregoing remedies, such party is not required to obtain, furnish, post or provide any bond or other security in connection with or as a condition to obtaining any such remedy.

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LITIGATION RELATING TO THE TRANSACTION

Since the announcement of the Merger on April 7, 2014, at least ten putative class actions have been filed on behalf of alleged Questcor shareholders in the Superior Court of the State of California, County of Orange, under the following captions: *Hansen v. Thompson, et al.*, Case No. 30-2014-00716108-CU-SL-CXC, filed April 7, 2014; *Heng v. Questcor Pharmaceuticals, Inc., et al.*, Case No. 30-2014-00716117-CU-BT-CXC, filed April 8, 2014; *Buck v. Questcor Pharmaceuticals, Inc., et al.*, Case No. 30-2014-00716694-CU-SL-CXC, filed April 10, 2014; *Ellerbeck v. Questcor Pharmaceuticals, Inc., et al.*, Case No. 30-2014-00717130-CU-SL-CXC, filed April 11, 2014; *Yokem v. Questcor Pharmaceuticals, Inc., et al.*, Case No. 30-2014-00717153-CU-SL-CXC, filed April 11, 2014; *Richter v. Questcor Pharmaceuticals, Inc., et al.*, Case No. 30-2014-00716761-CU-SL-CXC, filed April 11, 2014; *Tramantano v. Questcor Pharmaceuticals, Inc., et al.*, Case No. 30-2014-00716638-CU-BT-CXC, filed April 15, 2014; *Crippen v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00718491-CU-BT-CXC, filed April 23, 2014; *Patel v. Questcor Pharmaceuticals, inc., et al.,* Case No. 30-2014-00722866-CU-BT-CXC, filed May 8, 2014; and *Postow v. Questcor Pharmaceuticals, Inc., et al.,* Case No. 30-2014-00722897-CU-SL-CXC, filed May 12, 2014. On June 3, 2014, the California Superior Court issued a ruling consolidating the foregoing lawsuits under the *Hansen* caption and appointing lead plaintiff and co-lead counsel. On June 12, 2014, lead plaintiffs filed a consolidated amended complaint (the Consolidated Complaint). On June 27, 2014, the California court entered a stipulated scheduling order that, among other things, scheduled a hearing on plaintiffs anticipated motion for a preliminary injunction on August 1, 2014.

The Consolidated Complaint names as defendants the members of the Questcor board of directors, and alleges that Questcor s directors breached their fiduciary duties to Questcor s shareholders in connection with the Merger because, among other things, the Merger allegedly involves an unfair price, an inadequate sales process, self-dealing, and unreasonable deal protection devices. The Consolidated Complaint also alleges that the Questcor directors breached their fiduciary duties by failing to disclose purportedly material information to shareholders in connection with the Merger. The Consolidated Complaint also alleges that Mallinckrodt and Merger Sub aided and abetted these purported breaches of fiduciary duty. The Consolidated Complaint seeks, among other things, an order enjoining or rescinding the Merger and an award of attorney s and other fees and costs.

On April 9 and 15, 2014, a law firm sent substantially identical letters to the Questcor board of directors, each letter on behalf of a different purported Questcor shareholder (the Demand Letters). The Demand Letters request that the board take certain actions in connection with the Merger, and indicate that in the event that the board does not take such actions, the shareholders will file a lawsuit seeking the same relief sought in the Complaints. Both shareholders have now filed complaints (the *Heng* and *Crippen* actions).

On April 29, 2014, plaintiffs in the federal derivative action captioned *In re Questcor Pharmaceuticals, Inc. Shareholder Derivative Litigation*, pending in the United States District Court for the Central District of California, (the Derivative Action) filed an ex parte application to lift the stay in the Derivative Action to add claims challenging the Merger. The plaintiffs sought to add allegations challenging, among other things, the consideration agreed to in the proposed transaction and the purported failure by the Questcor board of directors to independently value the derivative claims. On May 1, 2014, the plaintiffs also noticed a motion seeking the same relief. On May 2, 2014, the court denied plaintiffs ex parte motion. On May 16, 2014, plaintiffs voluntarily withdrew their noticed motion. Questcor believes that the standing of the plaintiffs in the Derivative Action will likely be terminated upon the closing of the Merger.

Questcor and Mallinckrodt believe that the Consolidated Complaint has no merit and intend to defend vigorously against it.

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CERTAIN TAX CONSEQUENCES OF THE MERGER

U.S. Federal Income Tax Considerations

The following discussion summarizes the material U.S. federal income tax consequences of the Merger to U.S. holders and non-U.S. holders (each as defined below) of Questcor common stock and of the ownership and disposition of Mallinckrodt ordinary shares received by such holders upon the consummation of the Merger. The discussion set forth below with respect to U.S. holders is applicable only to U.S. holders (i) who are residents of the United States for purposes of the current income tax treaty between Ireland and the United States, which is referred to in this joint proxy statement/prospectus as the Tax Treaty, (ii) whose Questcor common stock or Mallinckrodt ordinary shares are not, for purposes of the Tax Treaty, attributable to such U.S. holder s permanent establishment in Ireland and (iii) who otherwise qualify for the full benefits of the Tax Treaty. The discussion is based on and subject to the Code, the Treasury regulations promulgated thereunder, administrative rulings and court decisions in effect on the date hereof, all of which are subject to change, possibly with retroactive effect, and to differing interpretations. The discussion assumes that Questcor shareholders hold their Questcor common stock, and will hold their Mallinckrodt ordinary shares, as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). The discussion does not constitute tax advice and does not address all aspects of U.S. federal income taxation that may be relevant to particular Questcor shareholders in light of their personal circumstances, including any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, or to shareholders subject to special treatment under the Code, including:

banks, thrifts, mutual funds and other financial institutions;

regulated investment companies;

traders in securities who elect to apply a mark-to-market method of accounting;

broker-dealers;

tax-exempt organizations and pension funds;

insurance companies;

dealers or brokers in securities or foreign currency;

individual retirement and other deferred accounts;

U.S. holders whose functional currency is not the U.S. dollar;

U.S. expatriates;

except to the extent specifically set forth below, Questcor shareholders who, at any time within the five-year period ending on the date of the Merger, have owned, actually or constructively, 5% or more of Questcor common stock;

non-U.S. holders of Mallinckrodt ordinary shares who, immediately after the Merger, own, actually or constructively, at least 5% of the Mallinckrodt ordinary shares;

passive foreign investment companies or controlled foreign corporations ;

persons liable for the alternative minimum tax;

holders who hold their shares as part of a straddle, hedging, conversion, constructive sale or other risk reduction transaction;

partnerships or other pass-through entities; and

holders who received their shares through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan.

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The discussion does not address any non-income tax considerations or any foreign, state or local tax consequences. For purposes of this discussion, a U.S. holder means a beneficial owner of Questcor common stock, or of Mallinckrodt ordinary shares after the Merger, who is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

For purposes of this discussion, a non-U.S. holder means a beneficial owner of Questcor common stock, or of Mallinckrodt ordinary shares after the Merger, that is neither a U.S. holder nor a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes).

This discussion does not purport to be a comprehensive analysis or description of all potential U.S. federal income tax consequences of the Merger. Each Questcor shareholder should consult with its tax advisor with respect to the particular tax consequences of the Merger to such shareholder.

If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds Questcor common stock or Mallinckrodt ordinary shares after the Merger, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the Merger and the ownership and disposition of Mallinckrodt ordinary shares.

QUESTCOR SHAREHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE MERGER AND OF THE OWNERSHIP AND DISPOSITION OF MALLINCKRODT ORDINARY SHARES AFTER THE MERGER TO THEM, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE AND LOCAL, AND OTHER TAX LAWS AND ANY APPLICABLE INFORMATION REPORTING OBLIGATIONS.

U.S. Federal Income Tax Consequences of the Merger

Tax Consequences to Mallinckrodt

Following the acquisition of a U.S. corporation by a foreign corporation, Section 7874 can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilize certain U.S. tax attributes, such as net operating losses, to

offset U.S. taxable income resulting from certain transactions. These limitations generally apply if, after the acquisition:

- at least 60% of the acquiring foreign corporation s stock (by vote or value) is considered to be held by former shareholders of the acquired U.S. corporation by reason of holding stock of such U.S. corporation; and
- the expanded affiliated group which includes the acquiring foreign corporation does not have substantial business activities in the country in which the acquiring foreign corporation is created or organized.

If these requirements are met, Section 7874 would generally impose a minimum level of tax on any inversion gain of the U.S. corporation and related U.S. persons (within the meaning of Section 7874) after the

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acquisition. Generally, inversion gain is defined as (i) the income or gain recognized by reason of the transfer of property to a foreign related person during the 10-year period following the Merger, and (ii) any income received or accrued during such period by reason of a license of any property by the U.S. corporation and related U.S. persons to a foreign related person. In general, the effect of this provision is to deny the use of net operating losses, foreign tax credits or other tax attributes to offset the inversion gain.

Section 7874 also provides that if, following an acquisition of a U.S. corporation by a foreign corporation, at least 80% of the acquiring foreign corporation s stock (by vote or value) is considered to be held by former shareholders of the U.S. corporation by reason of holding stock of such U.S. corporation and the expanded affiliated group which includes the acquiring foreign corporation does not have substantial business activities in the country in which the acquiring foreign corporation is created or organized, then the foreign corporation would be treated as a U.S. corporation for U.S. federal tax purposes even though it is a corporation created and organized outside the United States.

Section 7874 is not expected to apply to the Merger because the former Questcor shareholders are expected to receive less than 60% of the Mallinckrodt ordinary shares (by vote or value) by reason of holding Questcor common stock.

Tax Consequences to U.S. Holders

The receipt of cash and Mallinckrodt ordinary shares for Questcor common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. Under such treatment, in general, for U.S. federal income tax purposes, a U.S. holder will recognize gain or loss equal to the difference between the sum of the fair market value of Mallinckrodt ordinary shares and the amount of cash (including cash received in lieu of fractional Mallinckrodt ordinary shares) received in the Merger and the aggregate tax basis in the Questcor common stock surrendered in the Merger. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder s holding period for the Questcor common stock surrendered exceeds one year at the effective time of the Merger. Certain non-corporate U.S. holders (including individuals) are eligible for preferential rates applicable to long-term capital gain. The deductibility of capital losses is subject to limitations. Gain or loss must be calculated separately for each block of Questcor common stock if blocks of Questcor common stock were acquired at different times or for different prices. A U.S. holder s aggregate tax basis in the Mallinckrodt ordinary shares received in the Merger will generally equal the fair market value of such Mallinckrodt ordinary shares at the effective time of the Merger, and the holder s holding period for such Mallinckrodt ordinary shares will begin on the day after the Merger.

Tax Consequences to Non-U.S. Holders

A non-U.S. holder generally will not be subject to U.S. federal income tax on any gain recognized in the Merger unless:

- the recognized gain is effectively connected with the non-U.S. holder s conduct of a trade or business in the United States, and if required by an applicable tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States; or

- the non-U.S. holder is a nonresident alien individual present in the U.S. for 183 days or more during the taxable year of the sale or disposition, and certain other requirements are met.

Unless an applicable treaty provides otherwise, the recognized gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis in the same manner as if such non-U.S. holder were a U.S. person (see *U.S. Federal Income Tax Consequences of the Merger Tax Consequences to U.S. Holders* above). A non-U.S. holder that is a corporation also may be subject to a branch profits tax equal to 30% (or such lower rate specified by an applicable tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

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Recognized gain described in the second bullet point above generally will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Ownership and Disposition of Mallinckrodt Ordinary Shares

The following discussion is a summary of certain material U.S. federal income tax consequences of the ownership and disposition of Mallinckrodt ordinary shares to Questcor shareholders who receive such Mallinckrodt ordinary shares pursuant to the Merger and assumes that Mallinckrodt will be treated as a foreign corporation for U.S. federal income tax purposes.

Tax Consequences to U.S. Holders

Taxation of Dividends

The gross amount of cash distributions on Mallinckrodt ordinary shares (including any withheld Irish taxes) will be taxable as dividends to the extent paid out of Mallinckrodt s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such income (including any withheld Irish taxes) will be includable in the gross income of a U.S. holder as ordinary income on the day actually or constructively received by such holder. Distributions on Mallinckrodt ordinary shares (including any withheld Irish taxes) that are treated as dividends for U.S. federal income tax purposes will not be eligible for the dividends received deduction allowed to corporations under the Code.

With respect to non-corporate U.S. holders (including individuals), subject to the following discussion of special rules applicable to Passive Foreign Investment Companies (PFICs), certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the U.S. Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The U.S. Treasury Department has determined that the Tax Treaty meets these requirements. In addition, a foreign corporation is also treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the United States. U.S. Treasury Department guidance indicates that the Mallinckrodt ordinary shares, which are currently listed on the New York Stock Exchange, are considered readily tradable on an established securities market in the United States. There can be no assurance that the Mallinckrodt ordinary shares will be considered readily tradable on an established securities market in later years. Non-corporate holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as investment income pursuant to Section 163(d) (4) of the Code (dealing with the deduction for investment interest expense) will not be eligible for the reduced rates of taxation regardless of Mallinckrodt s status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

Subject to certain conditions and limitations, Irish withholding taxes, if any, on dividends paid on Mallinckrodt ordinary shares may be credited against a U.S. holder s U.S. federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on Mallinckrodt ordinary shares will, subject to the discussion below regarding foreign corporations that are at least 50% owned by U.S. persons, be treated as income from sources outside the United States and will generally constitute passive category income. Further, in certain circumstances, if a U.S. holder:

has held Mallinckrodt ordinary shares for less than a specified minimum period during which the U.S. holder is not protected from risk of loss; or

is obligated to make payments related to the dividends,

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the U.S. holder will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on Mallinckrodt ordinary shares.

The rules governing the foreign tax credit are complex. U.S. holders should consult their tax advisors regarding the availability of the foreign tax credit under the holder s particular circumstances and the requirements for claiming such credit.

To the extent that the amount of any distribution exceeds Mallinckrodt s current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the U.S. holder s Mallinckrodt ordinary shares, and to the extent the amount of the distribution exceeds the U.S. holder s tax basis, the excess will be taxed as capital gain recognized on a sale or exchange as described below under *Sale, Exchange or Other Taxable Disposition* beginning on page 175 of this joint proxy statement/prospectus.

It is possible that Mallinckrodt is, or at some future time will be, at least 50% owned by U.S. persons. Dividends paid by a foreign corporation that is at least 50% owned by U.S. persons may be treated as U.S. source income (rather than foreign source income) for foreign tax credit purposes to the extent the foreign corporation has more than an insignificant amount of U.S. source income. The effect of this rule may be to treat a portion of any dividends paid by Mallinckrodt as U.S. source income. Treatment of the dividends as U.S. source income in whole or in part may limit a U.S. holder s ability to claim a foreign tax credit for any Irish withholding taxes payable in respect of the dividends. The Code permits a U.S. holder entitled to benefits under the Tax Treaty to elect to treat any dividends from such a corporation as foreign source income for foreign tax credit purposes if the dividend income is separated from other income items for purposes of calculating the U.S. holder s foreign tax credit. U.S. holders should consult their own tax advisors about the desirability of making, and the method of making, such an election.

The amount of any dividend paid in foreign currency will be the U.S. dollar value of the foreign currency distributed by Mallinckrodt, calculated by reference to the exchange rate in effect on the date the dividend is includible in the U.S. holder s income, regardless of whether the payment is in fact converted into U.S. dollars on the date of receipt. Generally, a U.S. holder should not recognize any foreign currency gain or loss if the foreign currency is converted into U.S. dollars on the date the payment is received. However, any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. holder includes the dividend payment in income to the date such U.S. holder actually converts the payment into U.S. dollars will be treated as ordinary income or loss. That currency exchange income or loss (if any) generally will be income or loss from U.S. sources for foreign tax credit limitation purposes.

Sale, Exchange or Other Taxable Disposition

For U.S. federal income tax purposes, subject to the following discussion of special rules applicable to PFICs, a U.S. holder will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a Mallinckrodt ordinary share in an amount equal to the difference between the amount realized for the share and such U.S. holder s tax basis in the share. For U.S. holders of Questcor common stock that received Mallinckrodt ordinary shares in the Merger, such holder s tax basis in its Mallinckrodt ordinary shares will be determined in the manner described above under *U.S. Federal Income Tax Consequences of the Merger Tax Consequences to U.S. Holders.* The gain or loss recognized by a U.S. holder on the sale, exchange or other taxable disposition of Mallinckrodt ordinary shares will generally be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) currently are eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if such holder has held the relevant property for more than one year as of the date of the sale, exchange or other taxable disposition. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder on the sale or

exchange of Mallinckrodt ordinary shares will generally be treated as U.S. source gain or loss.

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Passive Foreign Investment Company Considerations

A PFIC is any foreign corporation if, after the application of certain look-through rules, (a) at least 75% of its gross income is passive income as that term is defined in the relevant provisions of the Code, or (b) at least 50% of the average value of its assets produce passive income or are held for the production of passive income. We believe that the Mallinckrodt ordinary shares should not be treated as stock of a PFIC for U.S. federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change. With certain exceptions, the Mallinckrodt ordinary shares would be treated as stock in a PFIC if Mallinckrodt were a PFIC at any time during a U.S. holder s holding period in such U.S. holder s Mallinckrodt ordinary shares. There can be no assurance that Mallinckrodt will not be treated as a PFIC during a U.S. holder s holding period. If Mallinckrodt were to be treated as a PFIC, then, unless a U.S. holder elects to be taxed annually on a mark-to-market basis with respect to the Mallinckrodt ordinary shares, gain realized on any sale or exchange of the Mallinckrodt ordinary shares and certain distributions with respect to Mallinckrodt ordinary shares could be subject to additional U.S. federal income taxes, plus an interest charge on certain taxes treated as having been deferred under the PFIC rules. In addition, dividends that a U.S. holder receives from Mallinckrodt with respect to Mallinckrodt ordinary shares would not be eligible for the special tax rates applicable to qualified dividend income if Mallinckrodt is treated as a PFIC with respect to such U.S. holder either in the taxable year of the distribution or the preceding taxable year, but instead would be subject to U.S. federal income tax rates applicable to ordinary income.

Tax Consequences to Non-U.S. Holders

In general, a non-U.S. holder of Mallinckrodt ordinary shares will not be subject to U.S. federal income tax or, subject to the discussion below under *Information Reporting and Backup Withholding* beginning on page 176 of this joint proxy statement/prospectus, U.S. federal withholding tax on any dividends received on Mallinckrodt ordinary shares or any gain recognized on a sale or other disposition of Mallinckrodt ordinary shares (including any distribution to the extent it exceeds the adjusted basis in the non-U.S. holder s Mallinckrodt ordinary shares) unless:

- the dividend or gain is effectively connected with the non-U.S. holder s conduct of a trade or business in the United States, and if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; or

- in the case of gain only, the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the sale or disposition, and certain other requirements are met.

A non-U.S. holder that is a corporation may also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable tax treaty) on the repatriation from the United States of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to cash consideration received by U.S. holders of Questcor common stock in the Merger (including cash in lieu of fractional Mallinckrodt ordinary shares received by such U.S. holders), dividends received by U.S. holders of Mallinckrodt ordinary shares and the proceeds received on the disposition of Mallinckrodt ordinary shares effected within the United States (and, in certain cases, outside the United States), in each case, other than U.S. holders that are exempt recipients (such as corporations). Backup withholding (currently at a rate of 28%) may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer

identification number (generally on an IRS Form W-9 provided to the paying agent or the U.S. holder s broker) or is otherwise subject to backup withholding.

Certain U.S. holders holding specified foreign financial assets with an aggregate value in excess of the applicable dollar threshold are required to report information to the IRS relating to Mallinckrodt ordinary shares,

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subject to certain exceptions (including an exception for Mallinckrodt ordinary shares held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return, for each year in which they hold Mallinckrodt ordinary shares. Such U.S. holders should consult their own tax advisors regarding information reporting requirements relating to their ownership of Mallinckrodt ordinary shares.

Information returns may be filed with the IRS in connection with, and a non-U.S. holder may be subject to backup withholding on, cash consideration received in the Merger (including cash received in lieu of fractional Mallinckrodt ordinary shares received in the Merger), unless the non-U.S. holder furnishes to the paying agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN or IRS Form W-8ECI, or otherwise establishes an exemption. Dividends paid with respect to Mallinckrodt ordinary shares and proceeds from the sale or other disposition of Mallinckrodt ordinary shares received in the United States by a non-U.S. holder or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding unless such non-U.S. holder provides proof of an applicable exemption or complies with certain certification procedures described above, and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit on a holder s U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Accounts

Withholding taxes may be imposed under the Foreign Account Tax Compliance Act (FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, Mallinckrodt ordinary shares paid to a foreign financial institution or a non-financial foreign entity (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any substantial United States owners (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring that it undertake to identify accounts held by certain specified United States persons or United States-owned foreign entities (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and subsequent guidance, withholding under FATCA may, under certain circumstances, apply to payments of dividends on Mallinckrodt ordinary shares made on or after July 1, 2014 and to payments of gross proceeds from the sale or other disposition of Mallinckrodt ordinary shares on or after January 1, 2017.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in Mallinckrodt ordinary shares.

Irish Tax Considerations

Scope of Discussion

The following is a summary of the material Irish tax consequences of the Merger to certain beneficial owners of Questcor common stock and the ownership and disposal of Mallinckrodt ordinary shares received

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upon the consummation of the Merger by such owners. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to each of the shareholders. The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this joint proxy statement/prospectus and correspondence with the Irish Revenue Commissioners. Changes in law and/or administrative practice may result in alteration of the tax considerations described below, possibly with retrospective effect.

The summary does not constitute tax advice and is intended only as a general guide. The summary is not exhaustive and shareholders should consult their tax advisors about the Irish tax consequences (and tax consequences under the laws of other relevant jurisdictions) of the transaction and of the acquisition, ownership and disposal of Mallinckrodt ordinary shares. The summary applies only to shareholders who hold their Questcor common stock, and will own Mallinckrodt ordinary shares, as capital assets and does not apply to other categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and shareholders who acquired their Questcor common stock or who have, or who are deemed to have, acquired their Mallinckrodt ordinary shares by virtue of an Irish office or employment (performed or carried on in Ireland).

Irish Tax on Chargeable Gains

Some of the statements in this section are the subject of an application by Mallinckrodt to the Irish tax authorities.

The current rate of tax on chargeable gains (where applicable) in Ireland is 33%.

Non-Irish shareholders

Questcor shareholders that are not resident or ordinarily resident in Ireland for Irish tax purposes and do not hold their Questcor common stock in connection with a trade carried on by such shareholders through an Irish branch or agency will not be within the charge to Irish tax on chargeable gains on the cancellation of their Questcor common stock, or on the receipt of Mallinckrodt ordinary shares and/or cash pursuant to the Merger.

Any subsequent disposal of Mallinckrodt ordinary shares will not be within the charge to Irish tax on chargeable gains provided the holder of such shares is not resident or ordinarily resident in Ireland for Irish tax purposes and does not hold his or her shares in connection with a trade carried on by such shareholder through an Irish branch or agency.

Irish shareholders

Questcor shareholders that are resident or ordinarily resident in Ireland for Irish tax purposes, or Questcor shareholders that hold their Questcor common stock in connection with a trade carried on by such persons through an Irish branch or agency, will, subject to the availability of any exemptions and reliefs, generally be within the charge to Irish tax on chargeable gains arising on the cancellation of their Questcor common stock pursuant to the Merger.

The receipt by such a Questcor shareholder of Mallinckrodt ordinary shares and cash (including any cash received in lieu of a fractional Mallinckrodt ordinary share) will be treated as a part disposal of his or her shares of Questcor common stock for Irish CGT purposes in respect of the cash consideration received.

On the basis that the Merger is treated as a scheme of reconstruction or amalgamation for Irish CGT purposes, including a scheme for the amalgamation of any two or more companies, is effected for bona fide commercial reasons and does not form part of any arrangement or scheme of which the main purpose or one of the main purposes is the avoidance of liability to tax, the receipt by such Questcor shareholder of Mallinckrodt

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ordinary shares should not be treated as a part disposal of his or her Questcor common stock for Irish CGT purposes. Instead the Mallinckrodt ordinary shares received should be treated as the same asset as the Questcor common stock cancelled and as acquired at the same time and for the same consideration as the Questcor common stock as adjusted for the part of the consideration attributable to the part disposal in respect of the receipt of cash.

A subsequent disposal of Mallinckrodt ordinary shares by a shareholder who is resident or ordinarily resident in Ireland for Irish tax purposes or who holds his or her shares in connection with a trade carried on by such person through an Irish branch or agency will, subject to the availability of any exemptions and reliefs, generally be within the charge to Irish CGT.

On the basis of the treatment described above on the receipt of Mallinckrodt ordinary shares in exchange for Questcor common stock, a former Questcor shareholder s base cost in the Mallinckrodt ordinary shares received for Irish CGT purposes will be the consideration paid by such shareholder for the Questcor common stock when they were first acquired by that shareholder as adjusted, if applicable, for the part of the consideration attributable to the part disposal on the receipt of cash. Consequently, any chargeable gain (or allowable loss) on a subsequent disposal or part disposal of the Mallinckrodt ordinary shares should be calculated by reference to this allocated base cost.

A shareholder of Mallinckrodt who is an individual and who is temporarily not resident in Ireland may, under Irish anti-avoidance legislation, still be liable to Irish tax on any chargeable gain realized upon subsequent disposal of the Mallinckrodt ordinary shares during the period in which such individual is a non-resident.

Stamp Duty

Some of the statements in this section are the subject of an application by Mallinckrodt to the Irish tax authorities.

The rate of stamp duty (where applicable) on transfers of shares of Irish incorporated companies is 1% of the price paid or the market value of the shares acquired, whichever is greater. Where Irish stamp duty arises it is generally a liability of the transferee.

No stamp duty will be payable on the cancellation of the Questcor common stock or the issue of Mallinckrodt ordinary shares pursuant to the Merger.

Irish stamp duty may, depending on the manner in which the shares in Mallinckrodt are held, be payable in respect of transfers of Mallinckrodt ordinary shares.

Shares Held Through DTC

A transfer of Mallinckrodt ordinary shares effected by means of the transfer of book-entry interests in DTC will not be subject to Irish stamp duty. On the basis that most ordinary shares in Mallinckrodt are held through DTC, most transfers of ordinary shares will be exempt from Irish stamp duty.

Shares Held Outside of DTC or Transferred Into or Out of DTC

A transfer of Mallinckrodt ordinary shares where any party to the transfer holds such shares outside of DTC may be subject to Irish stamp duty. Shareholders wishing to transfer their shares into (or out of) DTC may do so without giving rise to Irish stamp duty provided that:

there is no change in the ultimate beneficial ownership of such shares as a result of the transfer; and

the transfer into (or out of) DTC is not effected in contemplation of a subsequent sale of such shares by a beneficial owner to a third party.

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Due to the potential Irish stamp charge on transfers of Mallinckrodt ordinary shares held outside of DTC, it is strongly recommended that those Questcor shareholders who do not hold their Questcor common stock through DTC (or through a broker who in turn holds such shares through DTC) should arrange for the transfer of their Questcor common stock into DTC as soon as possible and before the transaction is consummated.

Withholding Tax on Dividends (DWT)

Some of the statements in this section are the subject of an application by Mallinckrodt to the Irish tax authorities.

Distributions made by Mallinckrodt will, in the absence of one of many exemptions, be subject to DWT currently at a rate of 20%.

For DWT purposes, a distribution includes any distribution that may be made by Mallinckrodt to its shareholders, including cash dividends, non-cash dividends and additional stock taken in lieu of a cash dividend. Where an exemption does not apply in respect of a distribution made to a particular shareholder, Mallinckrodt is responsible for withholding DWT prior to making such distribution.

General Exemptions

Irish domestic law provides that a non-Irish resident shareholder is not subject to DWT on dividends received from Mallinckrodt if such shareholder is beneficially entitled to the dividend and is either:

a person (not being a company) resident for tax purposes in a Relevant Territory (including the U.S.) and is neither resident nor ordinarily resident in Ireland (for a list of Relevant Territories for DWT purposes, please see Annex E to this joint proxy statement/prospectus);

a company resident for tax purposes in a Relevant Territory, provided such company is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;

a company that is controlled, directly or indirectly, by persons resident in a Relevant Territory and who is or are (as the case may be) not controlled by, directly or indirectly, persons who are not resident in a Relevant Territory;

a company whose principal class of shares (or those of its 75% direct or indirect parent) is substantially and regularly traded on a recognized stock exchange either in a Relevant Territory or on such other stock exchange approved by the Irish Minister for Finance; or

a company that is wholly owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a recognized stock exchange in a Relevant Territory or on such other stock exchange approved by the Irish Minister for Finance;

and provided, in all cases noted above (but subject to *Shares Held by U.S. Resident Shareholders* below), Mallinckrodt or, in respect of shares held through DTC, any qualifying intermediary appointed by Mallinckrodt, has received from the shareholder, where required, the relevant DWT Forms prior to the payment of the dividend. In practice, in order to ensure sufficient time to process the receipt of relevant DWT Forms, the shareholder where required should furnish the relevant DWT Forms to:

its broker (and the relevant information is further transmitted to any qualifying intermediary appointed by Mallinckrodt) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker) if its shares are held through DTC, or

Mallinckrodt s transfer agent at least seven business days before the record date for the dividend if its shares are held outside of DTC.

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Links to the various DWT Forms are available at: *http://www.revenue.ie/en/tax/dwt/forms/index.html.*

Shareholders that are required to file DWT Forms in order to receive dividends free of DWT should note that such forms are generally valid, subject to a change in circumstances, until December 31 of the fifth year after the year in which such forms were completed.

For non-Irish resident shareholders that cannot avail themselves of one of Ireland s domestic law exemptions from DWT, it may be possible for such shareholders to rely on the provisions of a double tax treaty to which Ireland is party to reduce the rate of DWT.

Shares Held by U.S. Resident Shareholders

Dividends paid in respect of Mallinckrodt ordinary shares that are owned by a U.S. resident and held through DTC will not be subject to DWT provided the address of the beneficial owner of such shares in the records of the broker holding such shares is in the United States (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by Mallinckrodt). It is strongly recommended that such shareholders, including Questcor shareholders who are U.S. residents and who receive Mallinckrodt ordinary shares pursuant to the transaction, ensure that their information is properly recorded by their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Mallinckrodt).

Dividends paid in respect of Mallinckrodt ordinary shares that are held outside of DTC and are owned by a former Questcor shareholder who is a resident of the United States will not be subject to DWT if such shareholders provide a completed IRS Form 6166 or a valid DWT Form to Mallinckrodt s transfer agent to confirm its U.S. residence and claim an exemption. It is strongly recommended that Questcor shareholders who are U.S. residents and who receive Mallinckrodt ordinary shares (which are to be held outside of DTC) pursuant to the transaction complete the appropriate IRS Form 6166 or a DWT Form and provide them to Mallinckrodt s transfer agent as soon as possible after receiving their shares.

If any shareholder that is resident in the United States receives a dividend from which DWT has been withheld, the shareholder should generally be entitled to apply for a refund of such DWT from the Irish Revenue Commissioners, provided the shareholder is beneficially entitled to the dividend.

Shares Held by Residents of Relevant Territories Other Than the United States

Shareholders who are residents of Relevant Territories, other than the United States, must satisfy the conditions of one of the exemptions referred to above under the heading *General Exemptions* beginning on page 180 of this joint proxy statement/prospectus, including the requirement to furnish valid DWT Forms, in order to receive dividends without suffering DWT. If such shareholders hold their shares through DTC, they must provide the appropriate DWT Forms to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Mallinckrodt) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker). If such shareholders hold their shares outside of DTC, they must provide the appropriate DWT Forms to Mallinckrodt s transfer agent at least seven business days before the record date for the dividend. It is strongly recommended that such shareholders including Questcor shareholders who are residents of Relevant Territories other than the U.S. and who receive Mallinckrodt ordinary shares pursuant to the transaction complete the appropriate DWT Forms and provide them to their brokers or Mallinckrodt s transfer agent, as the case may be, as soon as possible after receiving their shares.

If any shareholder who is resident in a Relevant Territory receives a dividend from which DWT has been withheld, the shareholder may be entitled to a refund of DWT from the Irish Revenue Commissioners provided the shareholder is beneficially entitled to the dividend.

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Shares Held by Residents of Ireland

Most Irish tax resident or ordinarily resident shareholders (other than Irish resident companies that have completed the appropriate DWT forms) will be subject to DWT in respect of dividends paid on their Mallinckrodt ordinary shares.

Shareholders that are residents of Ireland, but are entitled to receive dividends without DWT, must complete the appropriate DWT Forms and provide them to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Mallinckrodt) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker) (in the case of shares held through DTC), or to Mallinckrodt s transfer agent at least seven business days before the record date for the dividend (in the case of shares held outside of DTC).

Shares Held by Other Persons

Mallinckrodt shareholders that do not fall within any of the categories specifically referred to above may nonetheless fall within other exemptions from DWT. If any shareholders are exempt from DWT, but receive dividends subject to DWT, such shareholders may apply for refunds of such DWT from the Irish Revenue Commissioners.

Dividends paid in respect of Mallinckrodt ordinary shares held through DTC that are owned by a partnership formed under the laws of a Relevant Territory and where all the underlying partners are residents in a Relevant Territory will be entitled to exemption from DWT if all of the partners complete the appropriate DWT Forms and provide them to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Mallinckrodt) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker). If any partner is not a resident of a Relevant Territory, no part of the partnership s position is entitled to exemption from DWT.

Qualifying Intermediary

Mallinckrodt has put in place an agreement with an entity that is recognized by the Irish Revenue Commissioners as a qualifying intermediary, which will provide for certain arrangements relating to distributions in respect of shares of Mallinckrodt that are held through DTC, which are referred to as the Deposited Securities. The agreement provides that the qualifying intermediary will distribute or otherwise make available to Cede & Co., as nominee for DTC, any cash dividend or other cash distribution with respect to the Deposited Securities after Mallinckrodt delivers or causes to be delivered to the qualifying intermediary the cash to be distributed.

Mallinckrodt will rely on information received directly or indirectly from its qualifying intermediary, brokers and its transfer agent in determining where shareholders reside, whether they have provided the required U.S. tax information and whether they have provided the required DWT Forms.

Income Tax on Dividends Paid on Mallinckrodt Ordinary Shares

Irish income tax may arise for certain persons in respect of dividends received from Irish resident companies.

A shareholder that is not resident or ordinarily resident in Ireland and that is entitled to an exemption from DWT generally has no liability to Irish income tax or the universal social charge on a dividend from Mallinckrodt. An exception to this position may apply where such shareholder holds Mallinckrodt ordinary shares through a branch or agency in Ireland through which a trade is carried on.

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A shareholder that is not resident or ordinarily resident in Ireland and that is not entitled to an exemption from DWT generally has no additional Irish income tax liability or liability to the universal social charge. The DWT deducted by Mallinckrodt discharges the liability to income tax and the universal social charge. An exception to this position may apply where the shareholder holds Mallinckrodt ordinary shares through a branch or agency in Ireland through which a trade is carried on.

Irish resident or ordinarily resident shareholders may be subject to Irish tax and (in the case of an individual) the universal social charge on dividends received from Mallinckrodt.

Capital Acquisitions Tax (CAT)

CAT comprises principally gift tax and inheritance tax. CAT could apply to a gift or inheritance of Mallinckrodt ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because Mallinckrodt ordinary shares are regarded as property situated in Ireland for Irish CAT purposes as the share register of Mallinckrodt must be held in Ireland. The person who receives the gift or inheritance has primary liability for CAT.

CAT is currently levied at a rate of 33% above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon (i) the relationship between the donor and the donee and (ii) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of 225,000 in respect of taxable gifts or inheritances received from their parents. Mallinckrodt shareholders should consult their own tax advisors as to whether CAT is creditable or deductible in computing any domestic tax liabilities.

There is also a small gift exemption from CAT whereby the first 3,000 of the taxable value of all taxable gifts taken by a donee from any one donor, in each calendar year, is exempt from CAT and is also excluded from any future aggregation. This exemption does not apply to an inheritance.

THE IRISH TAX CONSIDERATIONS SUMMARIZED ABOVE ARE FOR GENERAL INFORMATION ONLY. QUESTCOR SHAREHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE TRANSACTION AND OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF MALLINCKRODT ORDINARY SHARES.

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is presented to illustrate the estimated effects of (i) the pending acquisition of Questcor by Mallinckrodt, which was announced on April 7, 2014, (ii) the acquisition of Cadence by Mallinckrodt, which was completed on March 19, 2014, (iii) the separation of Mallinckrodt from Covidien on June 28, 2013, (iv) the related financings to fund the transactions based on the historical financial position and results of operations of Mallinckrodt and (v) the related tax effects from the transactions.

On June 28, 2013, Mallinckrodt completed its legal separation from Covidien when Covidien shareholders of record received one Mallinckrodt ordinary share for every eight Covidien ordinary shares held as of the record date for the distribution, June 19, 2013, and the pharmaceuticals business of Covidien was transferred to Mallinckrodt. In connection with the separation, MIFSA issued $300 million aggregated principal amount of 3.50% senior unsecured notes due April 2018 and $600 million aggregate principal amount of 4.75% senior unsecured notes due April 2023. Mallinckrodt s historical financial statements for periods prior to June 28, 2013, including the nine months ended June 28, 2013 that are included within Mallinckrodt s fiscal 2013 results, may not be indicative of its future performance and do not necessarily reflect the results of operations that would have been had it operated as an independent, publicly-traded company for the entirety of fiscal 2013.

The fiscal year of Mallinckrodt ends on the last Friday in September and the fiscal years of Questcor and Cadence end on December 31. The following unaudited pro forma condensed combined statement of income for the fiscal year ended September 27, 2013 was prepared based on the following historical periods: (i) the historical consolidated and combined statement of income of Mallinckrodt for the fiscal year ended September 27, 2013, (ii) the historical statement of operations of Cadence for the twelve months ended September 30, 2013, which was derived by subtracting the condensed statement of operations for the nine months ended September 30, 2012 from the statement of operations for the fiscal year ended December 31, 2012, and adding the condensed statement of operations for the nine months ended September 30, 2013 and (iii) the historical consolidated statement of income of Questcor for the twelve months ended September 30, 2013, which was derived by subtracting the consolidated condensed statement of income for the nine months ended September 30, 2012 from the consolidated statement of income for the fiscal year ended December 31, 2012, and adding the consolidated condensed statement of income for the nine months ended September 30, 2013. The following unaudited pro forma condensed combined statement of income for the six months ended March 28, 2014 was prepared based on the following historical periods: (i) the historical condensed consolidated statement of income of Mallinckrodt for the six months ended March 28, 2014, (ii) the historical condensed statement of operations of Cadence for the three months ended December 31, 2013, which was derived by subtracting the condensed statement of operations for the nine months ended September 30, 2013 from the statement of operations for the fiscal year ended December 31, 2013, (iii) the unaudited financial information of Cadence for the period January 1, 2014 to March 18, 2014, (iv) the historical consolidated condensed statement of income of Questcor for the three months ended December 31, 2013, which was derived by subtracting the consolidated condensed statement of income for the nine months ended September 30, 2013 from the consolidated statement of income for the fiscal year ended December 31, 2013 and (v) the historical consolidated condensed statement of income of Questcor for the three months ended March 31, 2014. The following unaudited pro forma condensed combined balance sheet was prepared based on the following historical dates: (i) the historical condensed consolidated balance sheet of Mallinckrodt as of March 28, 2014, which includes balances related to Cadence following the completion of the Cadence acquisition on March 19, 2014, and (ii) the historical consolidated balance sheet of Questcor as of March 31, 2014. For further information on historical Cadence and Questcor financial information, refer to Note 4 and Note 5, respectively, of the accompanying notes to the unaudited pro forma condensed combined financial statements.

The pro forma adjustments are preliminary and are based upon available information and certain assumptions, described in the accompanying notes to the unaudited pro forma combined financial information that management

believes are reasonable under the circumstances. Actual results may differ materially from the unaudited pro forma combined financial information (including the assumptions within the accompanying unaudited pro forma combined financial information).

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The following unaudited pro forma condensed combined financial information has been prepared to reflect the Cadence and Questcor acquisitions and the related financings, as well as the separation from Covidien, related financing and related tax impact of changes in Mallinckrodt s internal capital structure, and is provided for informational purposes only. The unaudited pro forma condensed combined statements of income assume that the aforementioned transactions occurred on September 29, 2012. The unaudited pro forma condensed combined statements of income are not necessarily indicative of operating results that would have been achieved had the separation or the Cadence and Questcor acquisitions occurred on September 29, 2012, nor is it intended to project the future financial results of Mallinckrodt after the acquisitions. The unaudited pro forma condensed combined balance sheet assumes that the Questcor acquisition was completed on March 28, 2014. The unaudited pro forma condensed combined balance sheet does not necessarily reflect what Mallinckrodt s financial position would have been had the Questcor acquisition been completed on March 28, 2014, or for any future or historical period. The unaudited pro forma condensed combined financial information has been prepared using certain assumptions, as described in the accompanying notes, which management believes are reasonable and do not reflect the cost of any integration activities, benefits from any synergies that may be derived from the Questcor and Cadence acquisitions or revenue growth that may be anticipated. These unaudited pro forma condensed combined financial statements and related notes should be read in conjunction with the historical financial statements of Mallinckrodt, Questcor and Cadence included elsewhere in this joint proxy statement/prospectus.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

For the Fiscal Year Ended September 27, 2013

(in millions, except per share data)

	Historical Mallinckrodt	Historical Cadence	Mallinckrodt Separation Pro Forma Adjustments		Cadence Acquisition Pro Forma Adjustments		Mallinckrodt Subtotal After Cadence Acquisition	Historical Questcor	Questcor Acquisition Pro Forma Adjustments		Pro Forma
Net sales	$ 2,204.5	$ 94.4	$		$		$ 2,298.9	$ 716.6	$		$ 3,015.5
Cost of sales	1,179.6	42.7			159.2	d, e, f	1,381.5	63.3	348.2	k	1,793.0
Gross profit	1,024.9	51.7			(159.2)		917.4	653.3	(348.2)		1,222.5
Selling, general and administrative expenses	609.9	90.8			2.1	f, g	702.8	203.3			906.1
Research and development expenses	165.7	5.8					171.5	52.2			223.7
Separation costs	74.2		(68.9)	a			5.3				5.3
Restructuring charges, net	33.2						33.2				33.2
Gain on divestiture	(2.9)						(2.9)				(2.9)
Operating income (loss)	144.8	(44.9)	68.9		(161.3)		7.5	397.8	(348.2)		57.1
Interest expense	(19.5)	(4.4)	(21.2)	b	(46.6)	i	(91.7)		(73.9)	m	(165.6)
Interest income	0.3	0.1					0.4				0.4
Other income (expense), net	0.8	7.6					8.4	(2.1)			6.3
Income (loss) from continuing operations before income taxes	126.4	(41.6)	47.7		(207.9)		(75.4)	395.7	(422.1)		(101.8)
Provision for income taxes	68.6		(31.3)	c	(114.7)	j	(77.4)	131.1	(217.0)	n	(163.3)
Income (loss) from continuing operations	$ 57.8	$ (41.6)	$ 79.0		$ (93.2)		$ 2.0	$ 264.6	$ (205.1)		$ 61.5
Earnings (loss) per share from											

continuing operations:							
Basic	$	1.00	$	0.03		$	0.53
Diluted	$	1.00	$	0.03		$	0.53
Weighted-average shares outstanding:							
Basic		57.7		57.7	59.2	o	116.9
Diluted		57.8		57.8	59.2	o	117.0

See the accompanying notes to the unaudited pro forma combined financial information.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

For the Six Months Ended March 28, 2014

(in millions, except per share data)

	Historical Mallinckrodt	Historical Cadence	Cadence Acquisition Pro Forma Adjustments		Mallinckrodt Subtotal After Cadence Acquisition	Historical Questcor	Questcor Acquisition Pro Forma Adjustments		Pro Forma
Net sales	$ 1,098.0	$ 65.7	$		$ 1,163.7	$ 470.0	$		$ 1,633.7
Cost of sales	579.8	22.0	73.4	d, e, f	675.2	42.3	174.1	k	891.6
Gross profit	518.2	43.7	(73.4)		488.5	427.7	(174.1)		742.1
Selling, general and administrative expenses	340.3	73.1	(45.3)	f, g, h	368.1	138.9	(0.9)	l	506.1
Research and development expenses	80.4	3.3			83.7	39.5			123.2
Separation costs	4.8				4.8				4.8
Restructuring charges, net	29.7				29.7				29.7
Gain on divestiture and license	(13.8)				(13.8)				(13.8)
Operating income (loss)	76.8	(32.7)	(28.1)		16.0	249.3	(173.2)		92.1
Interest expense	(22.2)	(2.3)	(21.6)	i	(46.1)		(36.9)	m	(83.0)
Interest income	0.8				0.8				0.8
Other income (expense), net	(1.0)				(1.0)	2.4			1.4
Income (loss) from continuing operations before income taxes	54.4	(35.0)	(49.7)		(30.3)	251.7	(210.1)		11.3
Provision for income taxes	(3.7)		(25.2)	j	(28.9)	87.4	(108.5)	n	(50.0)
Income (loss) from continuing operations	$ 58.1	$ (35.0)	$ (24.5)		$ (1.4)	$ 164.3	$ (101.6)		$ 61.3
Basic earnings (loss) per share from continuing operations:									
Basic	$ 1.00				$ (0.02)				$ 0.52
Diluted	$ 0.99				$ (0.02)				$ 0.52
Weighted-average shares outstanding:									
Basic	58.0				58.0		59.2	o	117.2

Diluted	58.7	58.7	59.2	o	117.9

See the accompanying notes to the unaudited pro forma combined financial information.

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UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of March 28, 2014

(in millions)

	Historical Mallinckrodt	Historical Questcor	Questcor Acquisition Pro Forma Adjustments		Pro Forma
Assets					
Current Assets:					
Cash and cash equivalents	$ 334.9	$ 261.1	$ (191.0)	a	$ 405.0
Accounts receivable, net	334.2	97.3			431.5
Inventories	444.7	15.2	31.3	b	491.2
Prepaid expenses and other current assets	519.3	120.8	(11.1)	c	629.0
Total current assets	1,633.1	494.4	(170.8)		1,956.7
Property, plant and equipment, net	997.5	31.3			1,028.8
Goodwill	853.9	19.8	2,640.8	d	3,514.5
Intangible assets, net	1,715.0	217.3	5,223.4	e	7,155.7
Other assets	255.8	65.5	50.2	c, f	371.5
Total Assets	$ 5,455.3	$ 828.3	$ 7,743.6		$ 14,027.2
Liabilities and Shareholders Equity					
Current Liabilities:					
Current maturities of long-term debt	$ 11.2	$ 1.6	$ 403.8	f	$ 416.6
Accounts payable	119.9	22.2			142.1
Accrued and other current liabilities	494.7	164.2	1.6	g	660.5
Total current liabilities	625.8	188.0	405.4		1,219.2
Long-term debt	2,204.7	13.1	1,393.3	f	3,611.1
Pension and other postretirement benefits	104.0				104.0
Deferred income taxes	794.8	10.2	1,854.2	c	2,659.2
Other liabilities	387.6	148.3	44.2	g	580.1
Total Liabilities	4,116.9	359.6	3,697.1		8,173.6
Shareholders Equity:					
Preferred shares					
Ordinary shares	11.7	45.0	(33.2)	h, i	23.5
Ordinary shares held in treasury at cost	(1.8)				(1.8)
Additional paid-in capital	1,131.4		4,578.4	h	5,709.8
Retained earnings (accumulated deficit)	90.7	428.2	(503.2)	i, j	15.7
Accumulated other comprehensive income	106.4	(4.5)	4.5	i	106.4

Total Shareholders Equity	1,338.4	468.7	4,046.5	5,853.6
Total Liabilities and Shareholders Equity	$ 5,455.3	$ 828.3	$ 7,743.6	$ 14,027.2

See the accompanying notes to the unaudited pro forma combined financial information.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(dollars in millions, except per share data and where indicated)

1. Description of Transaction

Questcor Acquisition. On April 5, 2014, Mallinckrodt entered into the Merger Agreement pursuant to which Mallinckrodt will acquire Questcor, a high-growth biopharmaceutical company. In the Merger, Questcor shareholders will receive $30.00 in cash and 0.897 of an ordinary share of Mallinckrodt for each share of Questcor common stock owned as of immediately prior to the effective time of the Merger. In connection with the Merger, Mallinckrodt International Finance S.A., a wholly-owned subsidiary of Mallinckrodt, has entered into debt financing commitments that, together with cash on hand, are expected to be sufficient to provide the funds necessary to consummate the Merger. The financing may include a senior secured term loan facility, senior unsecured notes, loans under a senior unsecured bridge loan facility and other sources of financing. The Questcor acquisition is expected to provide a platform for future revenue and earnings growth within Mallinckrodt s Specialty Pharmaceuticals segment. Subject to customary closing conditions, the Merger is currently expected to be completed in the third calendar quarter of 2014.

Cadence Acquisition. On March 19, 2014, Mallinckrodt acquired all of the outstanding common stock of Cadence, a biopharmaceutical company focused on commercializing products principally for use in the hospital setting, for $14.00 per share in cash, or a total of approximately $1.3 billion. The Cadence acquisition was primarily funded through a $1.3 billion senior secured term loan credit facility. Cadence s sole product, OFIRMEV, is a proprietary intravenous formulation of acetaminophen for the management of mild to moderate pain, the management of moderate to severe pain with adjunctive opioid analgesics and the reduction of fever. The Cadence acquisition adds a growth product to Mallinckrodt s Specialty Pharmaceuticals product portfolio and provides Mallinckrodt an opportunity to expand its reach into the adjacent hospital market, in which Cadence has established a strong presence.

Separation from Covidien. On June 28, 2013, Mallinckrodt completed its legal separation from Covidien when Covidien shareholders of record received one Mallinckrodt ordinary share for every eight Covidien ordinary shares held as of the record date for the distribution, June 19, 2013, and the pharmaceuticals business of Covidien was transferred to Mallinckrodt. In connection with the separation, MIFSA issued $300 million aggregated principal amount of 3.50% senior unsecured notes due April 2018 and $600 million aggregate principal amount of 4.75% senior unsecured notes due April 2023.

2. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial statements are based on the historical financial information of Mallinckrodt, Questcor and Cadence as previously provided in or derived from the respective company s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC. The unaudited pro forma condensed combined statements of income for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 assume that the Cadence and Questcor acquisitions, the separation and the related financings occurred on September 29, 2012. The unaudited pro forma condensed combined balance sheet as of March 28, 2014 assumes that the Questcor acquisition occurred on March 28, 2014.

The pro forma adjustments reflected in the unaudited pro forma condensed combined statements of income are based on items that are (i) directly attributable to the Questcor and Cadence acquisitions and the related financings, as well as the separation, the related financing and the related tax impact of changes in Mallinckrodt s internal capital structure, (ii) factually supportable and (iii) expected to have a continuing impact on the results of operations of Mallinckrodt. The pro forma adjustments reflected in the unaudited pro forma condensed combined balance sheet are

based on items that are directly attributable to the Questcor acquisition and related financing and are factually supportable. The pro forma adjustments are preliminary and are based upon available information and certain assumptions, as described further in Note 6 and Note 7, that management believes are reasonable. Actual results may differ from the information presented by the unaudited pro forma condensed combined financial statements (including the assumptions contained within the unaudited pro forma condensed combined financial statements).

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The acquisitions have been accounted for using the acquisition method of accounting, with Mallinckrodt identified as the acquirer. Under the acquisition method of accounting, Mallinckrodt records all assets acquired and liabilities assumed at their respective acquisition-date fair values. The excess purchase price over the amounts assigned to tangible or intangible assets acquired and liabilities assumed is recognized as goodwill. At this time, the valuation analysis and calculations necessary to arrive at the final estimates of the fair market value of Questcor and Cadence assets acquired and liabilities assumed have not yet been finalized. As such, the assets and liabilities presented within the unaudited pro forma condensed combined financial information should be treated as preliminary values, and actual results may differ materially from the information presented. Additionally, this unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities, benefits from any synergies that may be derived from the Questcor and Cadence acquisitions or revenue growth that may be anticipated, all of which may have a material impact on Mallinckrodt s results of operations following the acquisitions.

3. Questcor Purchase Price Allocation

The preliminary estimate of the Questcor purchase price was determined as follows:

Number of shares anticipated to be issued	59.228
Mallinckrodt share price (as of July 9, 2014)	$ 77.50
Fair value of equity consideration	$ 4,590.2
Cash consideration	1,875.0
Total consideration	$ 6,465.2

A 10% fluctuation in the Mallinckrodt share price from the July 9, 2014 price would increase or decrease the total consideration by approximately $459 million.

The following preliminary allocation of the Questcor purchase price is based on Mallinckrodt s preliminary estimates of the fair value of the tangible and intangible assets and liabilities of Questcor, and was prepared using the historical book value of Questcor assets and liabilities as of March 31, 2014. The final determination of the allocation of the purchase price will be based on the fair value of such assets and liabilities as of the date that the Questcor acquisition is completed. The final determination of the purchase price allocation may be materially different than the preliminary estimates used in this unaudited pro forma condensed combined financial information.

Total consideration	**$ 6,465.2**
Allocated to:	
Cash and cash equivalents	$ 261.1
Inventory	46.5
Intangible assets	5,440.7
Goodwill	2,660.6
Other assets	286.9
Deferred tax liabilities, net	(1,835.4)
Other liabilities	(395.2)

Net assets acquired	$ 6,465.2

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4. Historical Cadence

Financial information presented in the Historical Cadence column of the unaudited pro forma condensed combined statement of income for the fiscal year ended September 27, 2013 represents the historical statement of operations of Cadence for the twelve months ended September 30, 2013, which was derived by subtracting the condensed statement of operations for the nine months ended September 30, 2012 from the statement of operations for the fiscal year ended December 31, 2012, and adding the condensed statement of operations for the nine months ended September 30, 2013 as follows:

	Year Ended December 31, 2012	Nine Months Ended September 30, 2012	Three Months Ended December 31, 2012	Nine Months Ended September 30, 2013	Twelve Months Ended September 30, 2013
Revenues:					
Product revenue, net	$ 50.1	$ 33.0	$ 17.1	$ 77.2	$ 94.3
License revenue	0.1		0.1		0.1
Total net revenues	50.2	33.0	17.2	77.2	94.4
Costs and expenses:					
Cost of product sales	23.4	16.0	7.4	26.3	33.7
Amortization of patent license	1.3	1.0	0.3	1.0	1.3
Research and development	6.5	5.4	1.1	4.7	5.8
Selling, general and administrative	86.8	66.8	20.0	70.3	90.3
Impairment of long-lived assets	7.7		7.7		7.7
Other	1.1		1.1	(0.6)	0.5
Total costs and expenses	126.8	89.2	37.6	101.7	139.3
Loss from operations	(76.6)	(56.2)	(20.4)	(24.5)	(44.9)
Other income (expense):					
Interest income	0.1	0.1		0.1	0.1
Interest expense	(4.4)	(3.3)	(1.1)	(3.3)	(4.4)
Other income				7.6	7.6
Total other income (expense), net	(4.3)	(3.2)	(1.1)	4.4	3.3
Loss before income tax	(80.9)	(59.4)	(21.5)	(20.1)	(41.6)
Net loss	$ (80.9)	$ (59.4)	$ (21.5)	$ (20.1)	$ (41.6)

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The financial information presented in the Historical Cadence column of the unaudited pro forma condensed combined statement of income for the six months ended March 28, 2014 represents the historical condensed statement of operations of Cadence for the three months ended December 31, 2013, which was derived by subtracting the condensed statement of operations for the nine months ended September 30, 2013 from the statement of operations for the fiscal year ended December 31, 2013, and adding the unaudited financial information for the period January 1, 2014 to March 18, 2014, as follows:

	Year Ended December 31, 2013	Nine Months Ended September 30, 2013	Three Months Ended December 31, 2013	January 1, 2014 to March 18, 2014	Six Months Ended March 18, 2014
Revenues:					
Product revenue, net	$ 110.5	$ 77.2	$ 33.3	$ 30.4	$ 63.7
License revenue	2.0		2.0		2.0
Total net revenues	112.5	77.2	35.3	30.4	65.7
Costs and expenses:					
Cost of product sales	37.9	26.3	11.6	9.8	21.4
Amortization of patent license	1.3	1.0	0.3	0.3	0.6
Research and development	6.7	4.7	2.0	1.3	3.3
Selling, general and administrative	94.5	70.3	24.2	48.7	72.9
Impairment of long-lived assets					
Other expense	(0.4)	(0.6)	0.2		0.2
Total costs and expenses	140.0	101.7	38.3	60.1	98.4
Loss from operations	(27.5)	(24.5)	(3.0)	(29.7)	(32.7)
Other income (expense):					
Interest income	0.1	0.1			
Interest expense	(4.4)	(3.3)	(1.1)	(1.2)	(2.3)
Other income	7.6	7.6			
Total other income (expense), net	3.3	4.4	(1.1)	(1.2)	(2.3)
Loss before income tax	(24.2)	(20.1)	(4.1)	(30.9)	(35.0)
Net loss	$ (24.2)	$ (20.1)	$ (4.1)	$ (30.9)	$ (35.0)

To conform with Mallinckrodt s presentation, amortization of patent license and impairment of long-lived assets have been included in cost of sales and other expense has been included within selling, general and administrative expense in the unaudited pro forma condensed combined statements of income.

The results of Cadence from and after the acquisition date of March 19, 2014 are included within the Historical Mallinckrodt column of the unaudited pro forma condensed combined statement of income for the six months ended

March 28, 2014. As Cadence was included within the historical financial position of Mallinckrodt as of March 28, 2014, the unaudited pro forma condensed combined balance sheet as of March 28, 2014 does not include separate Cadence financial information.

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5. Historical Questcor

Financial information presented in the Historical Questcor column of the unaudited pro forma condensed combined statement of income for the fiscal year ended September 27, 2013 represents the historical consolidated statement of income of Questcor for the twelve months ended September 30, 2013, which was derived by subtracting the consolidated condensed statement of income for the nine months ended September 30, 2012 from the consolidated statement of income for the fiscal year ended December 31, 2012, and adding the consolidated condensed statement of income for the nine months ended September 30, 2013 as follows:

	Year Ended December 31, 2012	Nine Months Ended September 30, 2012	Three Months Ended December 31, 2012	Nine Months Ended September 30, 2013	Twelve Months Ended September 30, 2013
Revenue					
Pharmaceutical net sales	$ 509.4	$ 348.8	$ 160.6	$ 531.1	$ 691.7
Contract manufacturing net sales				24.9	24.9
Total net sales	509.4	348.8	160.6	556.0	716.6
Cost of sales (exclusive of amortization of purchased technology)	28.6	19.4	9.2	53.4	62.6
Gross profit	480.8	329.4	151.4	502.6	654.0
Operating expenses:					
Selling and marketing	114.2	81.1	33.1	114.1	147.2
General and administrative	33.6	22.4	11.2	41.1	52.3
Research and development	34.2	22.1	12.1	40.1	52.2
Depreciation and amortization	1.2	1.0	0.2	3.1	3.3
Change in fair value of contingent consideration				0.5	0.5
Impairment of goodwill and intangibles	1.0	1.0		0.7	0.7
Total operating expenses	184.2	127.6	56.6	199.6	256.2
Income from operations	296.6	201.8	94.8	303.0	397.8
Interest and other income, net	0.7	0.5	0.2	(1.8)	(1.6)
Foreign currency transaction loss				(0.5)	(0.5)
Income before income taxes	297.3	202.3	95.0	300.7	395.7
Income tax expense	99.6	66.6	33.0	98.1	131.1
Net income	$ 197.7	$ 135.7	$ 62.0	$ 202.6	$ 264.6

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The financial information presented in the Historical Questcor column of the unaudited pro forma condensed combined statement of income for the six months ended March 28, 2014 represents the historical consolidated condensed statement of income of Questcor for the three months ended December 31, 2013, which was derived by subtracting the consolidated condensed statement of income for the nine months ended September 30, 2013 from the consolidated statement of income for the fiscal year ended December 31, 2013, and adding the consolidated condensed statement of income for the three months ended March 31, 2014, as follows:

	Year Ended December 31, 2013	Nine Months Ended September 30, 2013	Three Months Ended December 31, 2013	Three Months Ended March 31, 2014	Six Months Ended March 31, 2014
Revenue					
Pharmaceutical net sales	$ 761.3	$ 531.1	$ 230.2	$ 209.8	$ 440.0
Contract manufacturing net sales	37.6	24.9	12.7	17.3	30.0
Total net sales	798.9	556.0	242.9	227.1	470.0
Cost of sales (exclusive of amortization of purchased technology)	74.3	53.4	20.9	21.4	42.3
Gross profit	724.6	502.6	222.0	205.7	427.7
Operating expenses:					
Selling and marketing	153.0	114.1	38.9	47.1	86.0
General and administrative	56.4	41.1	15.3	22.6	37.9
Research and development	59.7	40.1	19.6	19.9	39.5
Depreciation and amortization	4.1	3.1	1.0	1.0	2.0
Change in fair value of contingent consideration	11.5	0.5	11.0	2.0	13.0
Impairment of goodwill and intangibles	0.7	0.7			
Total operating expenses	285.4	199.6	85.8	92.6	178.4
Income from operations	439.2	303.0	136.2	113.1	249.3
Interest and other income, net	0.7	(1.8)	2.5	0.1	2.6
Foreign currency transaction loss	(0.5)	(0.5)		(0.2)	(0.2)
Income before income taxes	439.4	300.7	138.7	113.0	251.7
Income tax expense	146.9	98.1	48.8	38.6	87.4
Net income	$ 292.5	$ 202.6	$ 89.9	$ 74.4	$ 164.3

To conform with Mallinckrodt s presentation, impairment of goodwill and intangibles has been included in cost of sales and selling and marketing, general and administrative, depreciation and amortization and change in fair value of contingent consideration have been included within selling, general and administrative expense in the unaudited pro forma condensed combined statements of income.

The financial information presented in the Historical Questcor column of the unaudited pro forma condensed balance sheet as of March 28, 2014, which represents the historical balance sheet of Questcor as of March 31, 2014.

6. Pro Forma Statements of Income Adjustments

Mallinckrodt Separation Pro Forma Adjustments

Mallinckrodt completed its legal separation from Covidien on June 28, 2013 when the pharmaceuticals business of Covidien was transferred to Mallinckrodt. Mallinckrodt s historical financial statements for periods

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prior to June 28, 2013, including the nine months ended June 28, 2013 that are included within Mallinckrodt s fiscal 2013 results, may not be indicative of its future performance and do not necessarily reflect the results of operations that would have been had it operated as an independent, publicly-traded company for the entirety of fiscal 2013. The following pro forma adjustments have been made to the historical Mallinckrodt financial statements for the fiscal year ended September 27, 2013, and are based on items that are (i) directly attributable to the separation, related financing and related tax impact of changes in Mallinckrodt s internal capital structure, (ii) factually supportable and (iii) expected to have a continuing impact on the results of operations of Mallinckrodt. As Mallinckrodt operated independently from Covidien for the entirety of the six months ended March 28, 2014, there are no adjustments to the historical financial statements for that period.

a. Reflects the removal of separation costs directly related to the separation that were incurred during the historical period. These costs were primarily for legal, tax, accounting and other professional fees. Separation costs remaining in the pro forma unaudited condensed combined statements of income primarily represent share-based compensation related to the conversion of Covidien equity awards to Mallinckrodt equity awards and costs under Mallinckrodt s transition services agreement with Covidien.

b. In April 2013, in connection with the separation, MIFSA, a wholly owned subsidiary of Mallinckrodt, issued $300 million aggregate principal amount of 3.50% senior unsecured notes due April 2018 and $600 million aggregate principal amount of 4.75% senior unsecured notes due April 2023. In advance of the issuance of the notes, Mallinckrodt entered into three forward interest rate lock contracts to hedge against the variability in market interest rates, which collectively resulted in losses of $7.6 million at settlement. Mallinckrodt incurred $9.9 million in deferred financing costs associated with the notes. In addition, the notes had an original issue discount of $1.9 million associated with them. The following pro forma adjustments were made in the unaudited pro forma condensed combined statement of income to reflect the impact of these transactions on interest expense:

	Year Ended September 27, 2013
Interest expense on the Notes	$ 39.0
Removal of MIFSA s historical interest expense	(19.7)
Amortization of debt issuance costs	1.1
Amortization of loss on settlement of interest rate lock contracts	0.6
Amortization of original issue discount	0.2
	$ 21.2

c. Reflects the removal of the tax benefit associated with separation costs, which, due to the tax free nature of the separation, was only $2.9 million. Also represents a $34.2 million decrease in income tax expense for the fiscal year ended September 27, 2013 due to the increase in interest expense as well as changes in the internal capital structure resulting from the reorganization of Mallinckrodt s legal entities to facilitate the separation.

Cadence Acquisition Pro Forma Adjustments

d. The preliminary estimate of the fair value of the identifiable intangible asset, which relates to Cadence s sole product, OFIRMEV, is $1.3 billion. For the purpose of determining additional pro forma amortization expense to be recorded in the unaudited pro forma condensed combined statements of income, the OFIRMEV intangible asset was assumed to have a useful life of eight years and was amortized on a straight-line basis. For the fiscal year ended September 27, 2013, historical Cadence patent amortization of $1.3 million was removed from cost of sales and $162.4 million of amortization was recorded for the OFIRMEV intangible asset. For the six months ended March 28, 2014, historical Cadence patent amortization of $0.6 million was removed from cost of sales and $81.2 million of amortization was recorded for the OFIRMEV intangible asset. Additionally, the post-acquisition amortization expense recorded by Mallinckrodt in March 2014 of $4.8 million was removed from cost of sales.

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e. The preliminary fair value of Cadence s inventory as of the acquisition date was $21.0 million. This step-up in inventory increased cost of sales during the six months ended March 28, 2014 by $1.1 million as the acquired inventory was sold. As there is no continuing impact, this $1.1 million increase has been removed from cost of sales in the unaudited pro forma condensed combined statements of income for the six months ended March 28, 2014.

f. Shipping and handling costs of $1.9 million for the fiscal year ended September 27, 2013 and $1.3 million for the six months ended March 28, 2014 have been reclassified in the unaudited pro forma condensed combined statements of income from cost of sales to selling, general and administrative expenses to conform with Mallinckrodt s accounting policies.

g. In connection with the closing of the acquisition, Mallinckrodt terminated Cadence s existing directors and officers (D&O) insurance policy and purchased a D&O insurance tail program providing six years of coverage for a net payment of $1.1 million, which will be amortized over the six-year coverage period. The pro forma adjustments for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 include $0.2 million and $0.1 million, respectively, in amortization.

h. Reflects the removal of $17.6 million and $29.1 million in non-recurring acquisition-related costs expensed by Mallinckrodt and Cadence, respectively, during the six months ended March 28, 2014.

i. In connection with the Cadence acquisition, Mallinckrodt entered into senior secured credit facilities consisting of a $1.3 billion term loan facility, with quarterly principal payments of $3.3 million and the remainder due 2021, and a $250.0 million revolving credit facility due 2019, which was not utilized in the acquisition. Mallinckrodt incurred $32.4 million in deferred financing costs associated with the existing facilities. In addition, the term loan facility had an original issue discount of $3.3 million associated with it. Mallinckrodt also repaid Cadence s existing debt in connection with the acquisition. The following pro forma adjustments were made in the unaudited pro forma condensed combined statements of income to reflect the impact of these transactions on interest expense:

	Year Ended September 27, 2013	Six Months Ended March 28, 2014
Interest expense on the existing facilities[1]	$ 45.3	$ 22.5
Removal of Cadence historical interest expense	(4.4)	(2.3)
Removal of historical interest expense booked on facilities for March 2014		(1.3)
Amortization of deferred financing costs	5.2	2.5
Amortization of original issue discount	0.5	0.2
	$ 46.6	$ 21.6

(1) Interest expense on the variable rate term loan facility has been calculated using the interest rate in effect as of March 28, 2014, or 3.50%. If the interest rate in effect were to have increased 1/8 of a percent during the periods presented, the interest expense on the existing facilities would have been $46.9 million for the fiscal year ended September 27, 2013 and $23.3 million for the six months ended March 28, 2014.

j. Reflects a reduction to tax expense of $61.9 million and $9.8 million, for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 respectively, associated with the tax effects of the pro forma adjustments at the applicable statutory income tax rates. Also includes a reduction to tax expense of $37.8 million and $7.0 million, for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 respectively, due to the increase in interest expense as well as changes in the internal capital structure resulting from the acquisition. Finally, represents a reduction to tax expense of $15.0 million and $8.4 million, for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 respectively, associated with the recognition of the tax benefit from the removal of the valuation allowance on current year s net operating losses that become realizable as a result of the acquisition.

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Questcor Acquisition Pro Forma Adjustments

k. The preliminary estimate of the fair value of the identifiable intangible asset, which relates to Questcor s product, Acthar, is $5,223.4 million. For the purpose of determining additional pro forma amortization expense to be recorded in the unaudited pro forma condensed combined statements of income, the Acthar intangible asset was assumed to have a useful life of 15 years and was amortized on a straight-line basis. For the fiscal year ended September 27, 2013 and the six months ended March 28, 2014, $348.2 million and $174.1 million, respectively, of amortization was recorded for the Acthar intangible asset. The intangible assets presented within the unaudited pro forma condensed combined financial information should be treated as preliminary values, and actual results may differ materially from the information presented.

l. Reflects the removal of $0.9 million in non-recurring Questcor acquisition-related costs expensed by Mallinckrodt during the six months ended March 28, 2014.

m. Assumes that certain subsidiaries of Mallinckrodt will enter into $900.0 million eight-year 5.50% high-yield senior notes, a $500.0 million seven-year variable rate term loan facility and a $150.0 million three-year variable rate accounts receivable securitization facility in connection with the Questcor acquisition. Assumes the term loan facility will have quarterly principal payments of 0.25% and original issue discount of $3.0 million. Assumes certain subsidiaries of Mallinckrodt will incur approximately $38.0 million in deferred financing costs associated with the financing transactions. The following pro forma adjustments were made in the unaudited pro forma condensed combined statements of income to reflect the impact of these transactions on interest expense:

	Year Ended September 27, 2013	Six Months Ended March 28, 2014
Senior notes interest	$ 49.5	$ 24.8
Term loan interest[(1)]	17.4	8.6
Accounts receivable securitization facility interest[(1)]	1.5	0.8
Amortization of deferred financing costs	5.1	2.5
Amortization of original issue discount	0.4	0.2
	$ 73.9	$ 36.9

(1) Interest expense on the variable rate term loan facility has been calculated using an estimated interest rate of 3.50%, and interest expense on the variable rate accounts receivable securitization facility has been calculated using an estimated interest rate of 1.00%. If the interest rate for each facility were to have increased 1/8 of a percent during the periods presented, the combined interest expense would have been $19.7 million for the fiscal year ended September 27, 2013 and $9.8 million for the six months ended March 28, 2014.

n. Reflects a reduction to tax expense of $133.7 million and $66.8 million, for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 respectively, associated with the tax effects of the pro forma adjustments at the applicable statutory income tax rates. Also includes a reduction to tax expense of $83.3 million and $41.7 million, for the fiscal year ended September 27, 2013 and the six months ended March 28, 2014 respectively, due to the increase in interest expense as well as changes in the internal capital structure resulting from the acquisition.

o. Per the terms of the Merger Agreement, Questcor shareholders will receive 0.897 ordinary shares of Mallinckrodt for each share of Questcor common stock owned. Mallinckrodt currently estimates that 59.228 million shares will be issued to Questcor shareholders pursuant to the Merger Agreement.

7. Pro Forma Balance Sheet Adjustments

As Mallinckrodt operated independently from Covidien as of March 28, 2014, no separation-related pro forma adjustments were made to the historical balance sheet of Mallinckrodt. Also, as Cadence was included within Mallinckrodt s financial position as of March 28, 2014, no Cadence acquisition-related pro forma adjustments were made to the historical balance sheet of Mallinckrodt.

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Questcor Acquisition Pro Forma Adjustments

a. The following pro forma adjustments were made in the unaudited pro forma condensed combined balance sheet to reflect the anticipated impact of the acquisition and the assumed related financing transactions on cash and cash equivalents:

Proceeds from senior notes	$ 900.0
Proceeds from term loan	497.0
Proceeds from accounts receivable securitization facility	150.0
Proceeds from cash bridge facility	250.0
Payment for Questcor outstanding shares and equity instruments	(1,875.0)
Transaction fees and costs	(75.0)
Deferred financing costs	(38.0)
	$ (191.0)

b. Reflects the estimated fair value adjustment to step-up Questcor s inventory to the preliminary fair value of $46.5 million. This step-up in inventory will increase cost of sales as the acquired inventory is sold, which Mallinckrodt estimates will be within three to six months from the date of acquisition, based on March 31, 2014 inventory levels. As there is no continuing impact, the effect on cost of sales from the inventory step-up is not included in the unaudited pro forma condensed combined statements of income.

c. Represents a decrease in current deferred tax assets of $11.1 million, an increase to non-current deferred tax assets of $12.2 million and a non-current deferred tax liability of $1,854.2 million, primarily resulting from estimated fair value adjustments for the inventory and identifiable intangible asset. The estimate of deferred taxes from fair value adjustments was determined based on the excess of book basis from fair value accounting over the tax basis of the inventory and identifiable intangible assets at a 35.5% statutory tax rate.

d. Based on Mallinckrodt s preliminary estimate, the excess of purchase price over net tangible and intangible assets acquired resulted in goodwill of approximately $2,660.6 million, which represents the assembled workforce, anticipated synergies and the tax-free nature of the transaction. The goodwill is not deductible for U.S. income tax purposes.

e. Reflects the preliminary fair value of the indentifiable intangible asset acquired of $5,223.4 million. The intangible asset represents the rights to the technology and patents of Questcor s product, Acthar, and is preliminarily expected to be amortized on a straight-line basis over a useful life of 15 years. The fair value of the intangible asset was determined using the income approach, which is a valuation technique that provides an estimate of the fair value of the asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. The cash flows were discounted at an 16.5% rate. Due to Questcor s recent acquisition of its historical intangible assets, Mallinckrodt has assumed, for purposes of the unaudited pro forma

financial statements, that the March 31, 2014 carrying value of these assets reasonably approximates their fair value.

f. The following pro forma adjustments were made in the unaudited pro forma condensed combined balance sheet to reflect the impact of the anticipated financing transactions on other assets and liabilities. Anticipated impact of the following transactions on cash and cash equivalents is included within pro forma adjustment a .

	Balance Sheet Line Item	Amount
Deferred financing costs	Other assets	$ 38.0
Senior notes	Long-term debt	900.0
Term loan facility	Current maturities of long-term debt	3.8
Term loan facility	Long-term debt	493.3
Accounts receivable securitization facility	Current maturities of long-term debt	150.0
Cash bridge facility	Current maturities of long-term debt	250.0

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g. Reflects Mallinckrodt s estimated fair value adjustment to Questcor s contingent consideration related to its January 2013 acquisition of Bio Vectra Inc. and Questcor s in-process research and development liability related to its June 2013 acquisition of the license to develop, market, manufacture, distribute, sell and commercialize Synacthen and Synacthen Depot for all uses in humans in the United States.

h. Per the terms of the Questcor Merger Agreement, Questcor shareholders will receive 0.897 shares of Mallinckrodt for each share of Questcor common stock owned. Mallinckrodt currently estimates that 59.228 million shares at $0.20 par value per share will be issued to satisfy this obligation. For the preliminary estimate of the impact on ordinary shares and additional paid-in capital, Mallinckrodt used the closing stock price as of July 9, 2014 of $77.50.

i. Questcor s historical equity accounts (the total of which is equal to its net book value) were eliminated as a result of the acquisition.

j. Anticipated acquisition-related costs of $75.0 million are reflected as a reduction to retained earnings in the unaudited pro forma condensed combined balance sheet. The costs, which will be expensed as incurred, are expected to include investment banking fees, filing fees, legal fees, accounting fees and other costs directly related to the acquisition.

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MALLINCKRODT MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Mallinckrodt s financial condition and results of operations should be read in conjunction with Mallinckrodt s consolidated and combined financial statements and the accompanying notes included elsewhere in this joint proxy statement/prospectus. The following discussion may contain forward-looking statements that reflect Mallinckrodt s plans, estimates and beliefs and involve risks, uncertainties and assumptions. Mallinckrodt s actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed in Risk Factors and Cautionary Statement Regarding Forward-Looking Statements.

As used in this Mallinckrodt Management s Discussion and Analysis of Financial Condition and Results of Operations, we, us and our refer to Mallinckrodt only (and not, for the avoidance of doubt, to Questcor).

Overview

Mallinckrodt is a global company that develops, manufactures, markets and distributes both branded and specialty generic pharmaceuticals, API and diagnostic imaging agents. Our products are found in almost every hospital, standalone diagnostic imaging center or pharmacy in the U.S. and we have a commercial presence in approximately 65 countries. We believe our commercial reach and formulation and manufacturing expertise, coupled with our ability to navigate the highly regulated and technical nature of our business, have created compelling competitive advantages that we anticipate will sustain future revenue growth.

We conduct our business in the following two segments:

- *Specialty Pharmaceuticals* produces and markets branded and specialty generic pharmaceuticals and API, comprised of medicinal opioids, synthetic controlled substances, acetaminophen and other active ingredients; and

- *Global Medical Imaging* develops, manufactures and markets contrast media and delivery systems (CMDS) and radiopharmaceuticals (nuclear medicine).

For further information on our business and products, refer to *Description of Mallinckrodt s Business Our Businesses and Product Strategies*.

Significant Events

Separation from Covidien

Mallinckrodt plc was incorporated in Ireland on January 9, 2013 for the purpose of holding the pharmaceuticals business of Covidien plc. On June 28, 2013, Covidien shareholders of record received one Mallinckrodt ordinary share for every eight Covidien ordinary shares held as of the record date for the distribution, June 19, 2013, and the pharmaceuticals business of Covidien was transferred to Mallinckrodt plc, thereby completing its legal separation from Covidien (the separation). On July 1, 2013, Mallinckrodt plc began regular way trading on the New York Stock Exchange under the ticker symbol MNK.

Our consolidated and combined financial statements reflect the consolidated financial position of Mallinckrodt plc and its subsidiaries as an independent publicly-traded company for periods subsequent to June 28, 2013, and as a combined reporting entity of Covidien, including operations relating to Covidien s Pharmaceuticals business, for periods prior to June 28, 2013. Our results for periods prior to June 28, 2013, including the nine months ended June 28, 2013 that are included with our fiscal 2013 results and the six months ended March 29, 2013, may not be indicative of our future performance and do not necessarily reflect the results of operations, financial position and cash flows that would have been had we operated as an independent, publicly-traded company for the entirety of the periods presented, including as a result of changes in our capitalization in connection with the separation. The combined financial statements for periods prior to June 28, 2013 include expense allocations for certain functions provided by Covidien, including, but not limited to, general corporate expenses related to finance, legal, information technology, human

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resources, communications, employee benefits and incentives, insurance and share-based compensation. These expenses were allocated to us on the basis of direct usage when identifiable, with the remainder allocated on the basis of operating expenses, headcount or other measures. The amounts allocated were $39.6 million, $49.2 million and $56.3 million in fiscal 2013, 2012 and 2011, respectively, and were included within selling, general and administrative expenses. Such allocations ceased upon the completion of the separation on June 28, 2013. Mallinckrodt s management considers the bases on which the expenses were allocated to reasonably reflect the utilization of services provided to, or the benefit received by, us during the periods presented; however, the allocations may not reflect the expense we would have incurred as an independent, publicly-traded company during those periods. Following the separation, we have performed these functions using our own resources or purchased services, certain of which are being provided by Covidien during a transitional period pursuant to a transition services agreement dated June 28, 2013, between Mallinckrodt and Covidien, particularly in relation to areas outside the U.S. The terms and prices on which such services are rendered may not be as favorable as those that were allocated to us by Covidien. We also may incur additional costs associated with being an independent, publicly-traded company. These additional anticipated costs are not reflected in our historical combined financial statements for periods prior to June 28, 2013.

Acquisitions

Cadence Pharmaceuticals. On March 19, 2014, we acquired all of the outstanding common stock of Cadence, a company focused on commercializing products principally for use in the hospital setting, for total consideration of $14.00 per share in cash, or approximately $1.3 billion. The acquisition was primarily funded through a $1.3 billion variable rate senior secured term loan credit facility. Cadence s product, OFIRMEV, is a proprietary intravenous formulation of acetaminophen for the management of mild to moderate pain, the management of moderate to severe pain with adjunctive opioid analgesics and the reduction of fever. The Cadence Acquisition adds a growth product to the Specialty Pharmaceuticals product portfolio and provides us an opportunity to expand our reach into the adjacent hospital market, in which Cadence established a strong presence.

CNS Therapeutics. In October 2012, we acquired CNS Therapeutics, Inc. (CNS Therapeutics), a specialty pharmaceutical company focused on developing and commercializing intrathecal products for site-specific administration to the central nervous system to treat neurological disorders and intractable chronic pain, for total consideration of $95.0 million. The total consideration was comprised of an upfront cash payment of $88.1 million (net of cash acquired) and the fair value of contingent consideration of $6.9 million. This contingent consideration, which could potentially total a maximum of $9.0 million, is primarily based on whether the FDA approves another concentration of Gablofen on or before December 31, 2016. Gablofen injections are indicated for use in the management of severe spasticity of cerebral or spinal origin, in patients age four years and above. The acquisition of CNS Therapeutics expanded our branded pharmaceuticals portfolio and supports our strategy of leveraging our therapeutic expertise and core capabilities in manufacturing, regulatory and commercialization to serve patients. The consolidated and combined income statement for fiscal 2013 included $29.2 million of net sales of intrathecal products added to our portfolio with this acquisition.

Roxicodone. In August 2012, we paid $13.2 million under an agreement to acquire all of the rights to Roxicodone® from Xanodyne Pharmaceuticals, Inc., which was capitalized as an intangible asset. Roxicodone is an immediate-release oral formulation of oxycodone hydrochloride indicated for the management of moderate to severe pain where the use of an opioid analgesic is appropriate. Roxicodone is the Reference Listed Drug for one of our generic products and is important to our product pipeline. Net sales of Roxicodone during fiscal 2013 were $8.4 million. There are no ongoing royalty payments under this agreement.

Divestitures

During fiscal 2011, we sold the rights to market TussiCaps, which are hydrocodone bitartrate and chlorpheniramine maleate extended-release capsules for use as a cough suppressant, for an upfront cash payment of $11.5 million. As a result of this transaction, we recorded an $11.1 million gain. The purchaser also may be

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obligated to make contingent payments to us of up to $11.5 million from December 31, 2011 through September 30, 2015, payable in equal quarterly installments until such time as a new competitive generic product is introduced into the market. In addition, we would receive a $1.0 million contingent payment if certain sales targets are achieved over the same time period. We received contingent payments of $2.9 million during both fiscal 2013 and 2012.

Debt Financing

In March 2014, in connection with the Cadence Acquisition, Mallinckrodt International Finance S.A. (MIFSA) and Mallinckrodt CB LLC (MCB), each of which is a subsidiary of Mallinckrodt plc, entered into senior secured credit facilities consisting of a $1.3 billion variable rate senior secured term loan facility due 2021 (the term loan) and a $250.0 million revolving credit facility due 2019 (the revolver and, together with the term loan, the existing facilities). The term loan requires quarterly principal amortization payments in an amount equal to 0.25% of the original principal amount of the term loan, payable on the last day of each calendar quarter, commencing on June 30, 2014. The revolver contains a $150.0 million letter of credit provision. We incurred an original issue discount of 0.25%, or $3.3 million associated with the term loan, and debt financing costs of $32.2 million.

License of Intellectual Property

We were involved in patent disputes with a counterparty relating to certain intellectual property relevant to extended-release oxymorphone. In December 2013, the counterparty agreed to pay us an upfront cash payment of $4.0 million and contractually obligated future payments of $8.0 million through July 2018, in exchange for the withdrawal of all claims associated with the intellectual property and a license to utilize our intellectual property. We have completed the earnings process associated with the agreement and recorded an $11.7 million gain, included within gains on divestiture and license, during the six months ended March 28, 2014.

Royalty and Milestone Payments

We are required to pay royalties and milestone payments for various product acquisitions and license agreements we have entered into with third parties. For EXALGO® (hydromorphone HCl) extended-release tablets (Exalgo), a pain management drug we acquired the rights to distribute and market in fiscal 2009. We are required to pay royalties on sales of the product. During fiscal 2013, 2012 and 2011, we paid royalties of $24.0 million, $16.1 million and $5.5 million, respectively. No milestone payments were made in any of the periods presented.

Also in fiscal 2009, we entered into a licensing agreement to utilize Depomed Inc. s (Depomed) Acuform™ gastric retentive drug delivery technology for the exclusive development of four products. This agreement may obligate us to make development milestone payments, and we are required to pay royalties on sales of products developed under this agreement. During fiscal 2013, we made a $5.0 million milestone payment upon the acceptance for filing by the FDA of our Xartemis XR NDA. During fiscal 2012, an insignificant amount of milestone payments were expensed as incurred since regulatory approval had not been received. No milestone payments were made in fiscal 2011. No royalty payments have been made under this agreement.

We also entered into a license agreement which granted us rights to market and distribute Pennsaid 1.5% and Pennsaid 2%, which are formulations of diclofenac sodium topical solution which are indicated for the treatment of pain associated with osteoarthritis of the knee. We are responsible for all future development activities and expenses under this agreement, are required to pay royalties on sales of the products and may also be required to make additional payments based upon the successful completion of specified regulatory and sales milestones. No milestone payments were made during fiscal 2013, 2012 or 2011. During fiscal 2013 and 2012, we paid royalties of $3.9 million and $7.5 million. The amount of royalties paid in fiscal 2011 was insignificant.

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Nuclear Imaging

In November 2012, the HFR in Petten, the Netherlands, one of two primary reactors we utilize to irradiate targets as part of our Mo-99 processing operation experienced an unscheduled shutdown. Mo-99 is a key raw material in our Ultra-Technekow DTE technetium generators that are sold by our Global Medical Imaging segment. We were able to receive increased target irradiations at two other reactors and purchased additional Mo-99 from other sources to continue meeting customer orders; however, the additional Mo-99 we procured from alternative sources came at significantly higher costs. The reactor resumed production in June 2013.

In October 2013, the HFR experienced another unscheduled shutdown. In addition, Mallinckrodt s Mo-99 processing facility in Petten, the Netherlands also experienced a shutdown. The HFR resumed production of medical isotopes and irradiation of materials in February 2014 and the Mo-99 processing facility resumed production in April 2014. We believe profitability of our Global Medical Imaging segment may improve, primarily in the fourth quarter, once we satisfy the significantly higher cost procurement commitments that we entered into during the shutdowns. We expect improvements in profitability in the Global Medical Imaging segment, starting in the fourth quarter, once we satisfy higher cost procurement commitments that we entered into during the shutdowns.

Lower Passaic River Environmental Reserve

On April 11, 2014, the EPA issued its revised Focused Feasibility Study (FFS), with remedial alternatives to address cleanup of the lower 8-mile stretch of the Lower Passaic River Study Area (the River), which also included a no action option. The EPA estimates the cost for the alternatives range from $365.0 million to $3.2 billion. The EPA s preferred approach would involve bank-to-bank dredging of the lower 8-mile stretch of the River and installing an engineered cap at a discounted, estimated cost of $1.7 billion. Based on the issuance of the EPA s revised FFS, we recorded a $23.1 million accrual in the second quarter of fiscal 2014 representing our estimate of our allocable share of the joint and several remediation liability resulting from this matter. Despite the issuance of the revised FFS, there are many uncertainties associated with the final agreed upon remediation and our allocable share of the remediation. Given those uncertainties, the amounts accrued may not be indicative of the amounts for which we are ultimately responsible and will be refined as events in the remediation process occur.

Business Factors Influencing the Results of Operations

New Products

In March 2014, the FDA approved our NDA for XARTEMIS XR (oxycodone HCl and acetaminophen) extended-release tablets (CII) (Xartemis XR), originally filed under MNK-795, for the management of acute pain severe enough to require opioid treatment and in patients for whom alternative treatment options are ineffective, not tolerated or would otherwise be inadequate. Xartemis XR is the first and only extended-release oral combination of oxycodone and acetaminophen. In February 2014, we were granted a patent from the USPTO, which contains composition claims directed to unique design, formulation, pharmacokinetic and release characteristics of Xartemis XR. Pursuant to the terms of our licensing agreement, we accrued, and capitalized as an intangible asset, a $10.0 million milestone payment to Depomed, Inc., which was paid in April 2014, in connection with the FDA approval of Xartemis XR.

In January 2014, the FDA approved our NDA for PENNSAID® (diclofenac sodium topical solution) 2% w/w (Pennsaid 2%), originally filed as MNK-395. Pennsaid 2% is a topical non-steroidal anti-inflammatory drug (NSAID) indicated for the treatment of pain associated with osteoarthritis of the knee, and an extension of our Pennsaid franchise. This new formulation provides a twice-daily administration and is dispensed for topical usage in a new

metered dose pump bottle. Pennsaid 2% was commercially launched in February 2014.

On December 28, 2012, we received approval from the FDA to manufacture Methylphenidate HCl extended-release tablets USP (CII) (Methylphenidate ER), a generic version of the branded CONCERTA®, a

registered trademark of Alza Corporation (Concerta), for the treatment of attention deficit hyperactivity disorder in 27 mg, 36 mg and 54 mg tablets. We held a 180-day exclusivity period for each of the 27 mg, 36 mg and 54 mg strengths, which began upon the commercial launch of each tablet. We launched the 27 mg tablet upon FDA approval during the first quarter of fiscal 2013 and launched the 36 mg and 54 mg tablets during the second quarter of fiscal 2013. In February 2013, we submitted a supplement to our approved ANDA for the 18 mg tablet. In January 2014, we received a Complete Response Letter from the FDA requesting additional information, and we are working to address this request. In July 2013, a competitor received FDA approval to manufacture all strengths of Methylphenidate ER and has entered the marketplace. As our exclusivity has expired, other competitors may also enter the market for Methylphenidate ER.

In August 2012, the FDA approved a 32 mg tablet of Exalgo, which further expanded the patient population that Exalgo can effectively treat with a single daily dose. The 8 mg, 12 mg and 16 mg tablets of Exalgo were approved by the FDA in March 2010 for the treatment of chronic pain in opioid-tolerant patients requiring continuous around-the-clock opioid analgesia for an extended amount of time; and have shown significant prescription growth since launch in April 2010. Exalgo was granted marketing exclusivity in the U.S. as a prescription medicine through March 2013 and is protected by two Orange Book-listed patents for a method of treating moderate to severe pain. Beginning in November 2013 for the 8 mg, 12 mg and 16 mg tablets and May 2014 for the 32 mg tablet, a third party has the right, pursuant to agreements with us, to sell a generic version of Exalgo. We expect sales of Exalgo to decrease in fiscal 2014 (compared with $126.1 million in fiscal 2013) as the third party entered the market in May 2014 pursuant to these agreements. Additionally, our patents for the 8 mg, 12 mg and 16 mg tablets expire in July 2014. In May 2014, we launched an authorized generic version of Exalgo in all tablet strengths.

Net sales of Xartemis XR, Pennsaid 2%, Methylphenidate ER and Exalgo were $76.2 million and $90.3 million during the three months ended March 28, 2014 and March 29, 2013, respectively, and $168.7 million and $128.9 million during the six months ended March 28, 2014 and March 29, 2013, respectively.

Restructuring Initiatives

We continue to look for opportunities to improve our cost structure and achieve operating excellence and efficiencies. Our initiatives prior to the separation have primarily been part of Covidien s 2011 restructuring program, which also applied to its Pharmaceutical business. We launched an initiative that closed a manufacturing facility in Chesterfield, United Kingdom (U.K.). The manufacturing facility produced API products and we transferred these processes to another manufacturing site, creating operating and logistic efficiencies. In addition, we announced a comprehensive initiative to renovate, upgrade and modernize key manufacturing operations at our Saint Louis, Missouri manufacturing facility. We began to realize benefits from these initiatives in fiscal 2012.

Following the separation, we continue to realign our cost structure due to the changing nature of our business and look for opportunities to achieve operating efficiencies. As such, in August 2013 our board of directors approved a restructuring program in the amount of $100 million to $125 million that is expected to occur over a three-year period with a two-year cost recovery period.

During the three months ended March 28, 2014 and March 29, 2013, we incurred restructuring and related charges, net, of $21.7 million and $6.9 million, respectively. Restructuring and related charges, net for the three months ended March 29, 2013 included accelerated depreciation costs of $0.5 million; accelerated depreciation during the three months ended March 28, 2014 was immaterial. During the six months ended March 28, 2014 and March 29, 2013, we incurred restructuring and related charges, net, of $29.8 million and $7.9 million, respectively, which included accelerated depreciation costs of $0.1 million and $1.3 million, respectively. The restructuring charges incurred during the three and six months ended March 28, 2014 primarily related to employee severance and benefits, consulting costs

and a $2.6 million non-cash facility closure charge associated with restructuring activities within the Global Medical Imaging segment. Restructuring charges during the three and six months ended March 28, 2014 include employee severance actions with near-term cost reductions,

primarily within selling, general and administrative expenses, and long-term cost reductions to cost of sales. The restructuring charges incurred during the three and six months ended March 29, 2013 primarily related to severance and employee benefit costs within the Specialty Pharmaceuticals segment.

During fiscal 2013, 2012 and 2011, we incurred restructuring and related charges, net, of $35.8 million, $19.2 million and $10.0 million, respectively, which included accelerated depreciation costs of $2.6 million, $8.0 million and $1.6 million, respectively. The restructuring charges incurred during all of these periods primarily related to severance and employee benefit costs across both of our segments.

Research and Development Investment

We expect to continue to invest in R&D activities, as well as enter into license agreements to supplement our internal R&D initiatives. We intend to focus our R&D investments in the specialty pharmaceuticals area, specifically investments to support our Brands business, where we believe there is the greatest opportunity for growth and profitability.

Specialty Pharmaceuticals. We devote significant R&D resources for our branded products. A number of our branded products are protected by patents and have enjoyed market exclusivity. Our R&D strategy focuses on branded product development in the area of pain, other central nervous system areas, such as spasticity, and adjacent areas. We are presently developing a number of branded products, some of which utilize novel drug-delivery systems, through a combination of internal and collaborative programs. MNK-155 has completed Phase III clinical trials and our NDA filing was accepted for review by the FDA in May 2014.

In accordance with a Pediatric Research Equity Act requirement included in the NDA approval for OFIRMEV, Cadence began enrolling patients in 2012 in a post-marketing efficacy study of OFIRMEV in infants and neonates. The data from this study will be used to satisfy a formal written request Cadence received from the FDA under Section 505A of the U.S. Food, Drug and Cosmetic Act that was made as part of the approval process for OFIRMEV. The FDA has agreed to an August 2015 due date for completion of this study. Upon timely completion and the acceptance by the FDA of the data from this study, OFIRMEV will be eligible for an additional six months of marketing exclusivity in the U.S. The FDA is also currently reviewing a supplemental NDA that Cadence submitted in December 2013, which would offer OFIRMEV in flexible intravenous bags.

We are presently developing a number of specialty generic products through a combination of internal and collaborative programs. From a product development perspective, we are focused on controlled substances with difficult-to-replicate pharmacokinetic profiles. In addition, we are focused on process improvements to increase yields and reduce costs. As of March 28, 2014, we had various ANDAs on file with the FDA, including a supplement, filed in February 2013, to our approved ANDA for the 18 mg tablet of Methylphenidate ER. In January 2014, we received a Complete Response Letter from the FDA requesting additional information, and we are working to address this request. If accepted, we will have all four tablet strengths available on the market, as we currently only offer the 27 mg, 36 mg and 54 mg strengths.

Global Medical Imaging. Our R&D efforts in our Global Medical Imaging segment are focused on driving efficiency throughout CMDS. In our Nuclear Imaging business, our efforts relate to the conversion from HEU to LEU and better utilizing existing capacity.

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Results of Operations

Three Months Ended March 28, 2014 Compared with Three Months Ended March 29, 2013

Net Sales

Net sales by geographic area were as follows (dollars in millions):

	Three Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
U.S.	$ 403.1	$ 413.0	(2.4)%
Europe, Middle East and Africa	99.8	104.3	(4.3)
Other	54.9	68.0	(19.3)
Net sales	$ 557.8	$ 585.3	(4.7)

Net sales in the three months ended March 28, 2014 decreased $27.5 million, or 4.7%, to $557.8 million, compared with $585.3 million for the three months ended March 29, 2013. This decrease was primarily driven by lower Specialty Generics and API net sales, due to decreases in Methylphenidate ER, as a result of initial stocking associated with the launch of the 36 mg and 54 mg dosage strengths in the prior year, increased market competition, customer incentive payments and lower CMDS net sales. These decreases were partially offset by benefits from certain strategic pricing initiatives and increased net sales from new Specialty Pharmaceuticals products. For further information on changes in our net sales, refer to *Business Segment Results*.

Operating Income

Gross profit. Gross profit for the three months ended March 28, 2014 decreased $10.9 million, or 4.0%, to $262.6 million, compared with $273.5 million for the three months ended March 29, 2013. The decrease in gross profit primarily resulted from lower net sales in the current year period, increased amortization associated with OFIRMEV and increased manufacturing and raw material costs in the Global Medical Imaging segment, including the unscheduled shutdown of our Mo-99 processing facility and the HFR that supplies us with our Mo-99. These factors were partially offset by benefits from certain strategic pricing initiatives. Gross profit margin was 47.1% for the three months ended March 28, 2014, compared with 46.7% for the three months ended March 29, 2013.

Selling, general and administrative expenses. Selling, general and administrative expenses for the three months ended March 28, 2014 were $194.1 million, compared with $160.7 million for the three months ended March 29, 2013, an increase of $33.4 million, or 20.8%. The increase primarily resulted from a $23.1 million environmental remediation charge, $18.5 million of transaction costs associated with the Cadence Acquisition and our pending acquisition of Questcor, higher internal and third-party expenses associated with being an independent, publicly-traded company, and higher expenses in our Brands business related to the launch of Xartemis XR and Pennsaid 2%, partially offset by benefits from restructuring activities and certain prior year costs that did not recur in the three months ended March 28, 2014. In the three months ended March 29, 2013, selling, general and administrative expenses included allocations from Covidien of $13.6 million for general corporate expenses. These allocations are generally consistent with functions we have developed in our corporate build-out, and ceased following the completion of the separation on June 28, 2013. Selling, general and administrative expenses were 34.8% of net sales for the three months ended

March 28, 2014 and 27.5% of net sales for the three months ended March 29, 2013.

Research and development expenses. R&D expenses increased $2.2 million, or 5.6%, to $41.4 million for the three months ended March 28, 2014, compared with $39.2 million for the three months ended March 29, 2013. As products, such as Xartemis XR, Pennsaid 2% and MNK-155, move toward or through the FDA review process, we have devoted additional resources to other potential products in our R&D pipeline and the continued pursuit of abuse-deterrent labeling for Xartemis XR. As a percentage of our net sales, R&D expenses were 7.4% and 6.7% for the three months ended March 28, 2014 and March 29, 2013, respectively.

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Separation costs. During the three months ended March 28, 2014 and March 29, 2013, we incurred separation costs of $2.6 million and $14.4 million, respectively, primarily related to legal, accounting, tax and other professional fees. Separation costs were higher in the prior year period as we approached and completed the separation on June 28, 2013. We have continued to incur costs related to the separation as a result of our transition services agreement with Covidien, our costs to implement information and accounting systems, share-based compensation related to the conversion of Covidien awards to Mallinckrodt awards, and other transitional costs; however, these costs are not expected to recur at historical levels.

Restructuring and related charges, net. During the three months ended March 28, 2014, we recorded $21.7 million of restructuring and related charges, net, which primarily related to employee severance and benefits, consulting costs and a $2.6 million non-cash facility closure charge associated with restructuring activities within the Global Medical Imaging segment. During the three months ended March 29, 2013, we recorded restructuring and related charges, net of $6.9 million, of which $0.5 million related to accelerated depreciation and was included in cost of sales. The remaining $6.4 million primarily related to severance and employee benefit costs within the Specialty Pharmaceuticals segment.

Gains on divestiture and license. During the three months ended March 28, 2014 and March 29, 2013, we recorded gains on divestiture and license of $0.9 million and $0.7 million, respectively, both of which primarily related to the sale of the rights to market TussiCaps extended-release capsules in fiscal 2011.

Non-Operating Items

Interest expense and interest income. During the three months ended March 28, 2014, net interest expense was $11.9 million. Net interest expense is primarily attributable to our $900.0 million issuance of senior unsecured notes in April 2013. Interest expense during the three months ended March 28, 2014 includes $1.3 million of non-cash interest expense.

Other (expense) income, net. During the three months ended March 28, 2014, we recorded other expense, net of $0.4 million, which represents miscellaneous items, including gains and losses on intercompany foreign currency financing transactions and related hedging instruments.

Provision for income taxes. Income tax benefit was $20.3 million on loss from operations before income taxes of $8.6 million for the three months ended March 28, 2014 and income tax expense was $19.0 million on income from continuing operations before income taxes of $53.5 million for the three months ended March 29, 2013. The effective tax rates were impacted by the Cadence Acquisition and the deductibility of separation costs due to the tax free status of the separation. The rate for the three months ended March 28, 2014 was most notably impacted by the inclusion of a $20.7 million tax benefit associated with the Cadence Acquisition, acquisition and financing costs and amortization of the acquired intangible asset. During the three months ended March 28, 2014, we received a $0.4 million tax benefit on $2.6 million of separation costs compared with a $1.0 million tax benefit on $14.4 million of separation costs for the three months ended March 29, 2013. These impacts on the effective tax rate for the three months ended March 28, 2014 were magnified by the level of loss from continuing operations before income taxes. Furthermore, our effective tax rate for the three months ended March 29, 2013 reflected the business as historically managed by Covidien rather than as an independent, publicly-traded company.

Loss from discontinued operations, net of income taxes. We recorded $0.1 million and $0.5 million losses on discontinued operations, net of income taxes, during the three months ended March 28, 2014 and March 29, 2013, respectively. These amounts relate to indemnification obligations to the purchaser of our Specialty Chemicals business (formerly known as Mallinckrodt Baker), which was sold during fiscal 2010.

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Six Months Ended March 28, 2014 Compared with Six Months Ended March 29, 2013

Net Sales

Net sales by geographic area were as follows (dollars in millions):

	Six Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
U.S.	$ 786.1	$ 749.1	4.9%
Europe, Middle East and Africa	194.0	197.9	(2.0)
Other	117.9	142.3	(17.1)
Net sales	$ 1,098.0	$ 1,089.3	0.8

Net sales in the six months ended March 28, 2014 increased $8.7 million, or 0.8%, to $1,098.0 million, compared with $1,089.3 million for the six months ended March 29, 2013. This increase was primarily driven by increased sales within our Specialty Pharmaceuticals segment resulting from the launch timing of Methylphenidate ER in December 2012, certain strategic pricing initiatives and increased sales of Exalgo. These increases were partially offset by strategic customer incentive payments and increased market competition and decreased sales in our CMDS businesses. For further information on changes in our net sales, refer to *Business Segment Results*.

Operating Income

Gross profit. Gross profit for the six months ended March 28, 2014 increased $11.2 million, or 2.2%, to $518.2 million, compared with $507.0 million for the six months ended March 29, 2013. The increase in gross profit primarily resulted from higher net sales in the current year period, benefits from certain strategic pricing initiatives and a favorable product mix from increased sales of our higher margin pharmaceutical products. These factors were partially offset by increased manufacturing and raw material costs in the Global Medical Imaging segment, including the unscheduled shutdowns of our Mo-99 processing facility and the HFR that supplies us with Mo-99. Gross profit margin was 47.2% for the six months ended March 28, 2014, compared with 46.5% for the six months ended March 29, 2013.

Selling, general and administrative expenses. Selling, general and administrative expenses for the six months ended March 28, 2014 were $340.3 million, compared with $307.5 million for the six months ended March 29, 2013, an increase of $32.8 million, or 10.7%. The increase primarily resulted from a $23.1 million environmental remediation charge, $18.5 million of transaction costs associated with the Cadence Acquisition and our pending acquisition of Questcor, higher internal and third-party expenses associated with being an independent, publicly-traded company, and higher expenses in our Brands business related to the launch of Xartemis XR and Pennsaid 2%; partially offset by benefits from restructuring activities and certain prior year costs that did not recur in the six months ended March 28, 2014. In the six months ended March 29, 2013, selling, general and administrative expenses included higher legal settlement costs and allocations from Covidien of $25.5 million for general corporate expenses. These allocations are generally consistent with functions we have developed in our corporate build-out and ceased following the completion of the separation on June 28, 2013. Selling, general and administrative expenses were 31.0% of net sales for the six months ended March 28, 2014 and 28.2% of net sales for the six months ended March 29, 2013.

Research and development expenses. R&D expenses increased $2.8 million, or 3.6%, to $80.4 million for the six months ended March 28, 2014, compared with $77.6 million for the six months ended March 29, 2013. As products, such as Xartemis XR, Pennsaid 2% and MNK-155, move toward or through the FDA review process, we have devoted additional resources to other potential products in our R&D pipeline and the continued pursuit of abuse-deterrent labeling for Xartemis XR. As a percentage of our net sales, R&D expenses were 7.3% and 7.1% for the six months ended March 28, 2014 and March 29, 2013, respectively.

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Separation costs. During the six months ended March 28, 2014 and March 29, 2013, we incurred separation costs of $4.8 million and $26.4 million, respectively, primarily related to legal, accounting, tax and other professional fees. Separation costs were higher in the prior year period as we approached and completed the separation on June 28, 2013. We have continued to incur costs related to the separation as a result of our transition services agreement with Covidien, our costs to implement information and accounting systems, share-based compensation related to the conversion of Covidien awards to Mallinckrodt awards, and other transitional costs; however, these costs are not expected to recur at historical levels.

Restructuring and related charges, net. During the six months ended March 28, 2014, we recorded $29.8 million of restructuring and related charges, net, of which $0.1 million related to accelerated depreciation and was included in cost of sales. The remaining $29.7 million primarily related to employee severance and benefits, consulting costs and a $2.6 million non-cash facility closure charge associated with restructuring activities within the Global Medical Imaging segment. During the six months ended March 29, 2013, we recorded restructuring and related charges, net of $7.9 million, of which $1.3 million related to accelerated depreciation and was included in cost of sales. The remaining $6.6 million primarily related to severance and employee benefit costs within the Specialty Pharmaceuticals segment.

Gains on divestiture and license. During the six months ended March 28, 2014 and March 29, 2013, we recorded gains on divestiture and license of $13.8 million and $1.4 million, respectively. The $13.8 million gain recorded during the six months ended March 28, 2014 primarily resulted from an $11.7 million gain from the license of intellectual property to a third party related to extended-release oxymorphone.

Non-Operating Items

Interest expense and interest income. During the six months ended March 28, 2014, net interest expense was $21.4 million. Net interest expense is primarily attributable to our $900.0 million issuance of senior unsecured notes in April 2013. Interest expense during the six months ended March 28, 2014 includes $1.9 million non-cash interest expense.

Other (expense) income, net. During the six months ended March 28, 2014, we recorded other expense, net of $1.0 million and during the six months ended March 29, 2013, we recorded other income, net of $0.2 million, both of which represent miscellaneous items, including gains and losses on intercompany foreign currency financing transactions and related hedging instruments.

Provision for income taxes. Income tax benefit was $3.7 million on income from continuing operations before income taxes of $54.4 million for the six months ended March 28, 2014 and income tax expense was $36.1 million on income from continuing operations before income taxes of $90.4 million for the six months ended March 29, 2013. The effective tax rates were impacted by the Cadence Acquisition and the deductibility of separation costs due to the tax free status of the separation. The rate for the six months ended March 28, 2014 was most notably impacted by the inclusion of a $20.7 million tax benefit associated with the Cadence Acquisition, acquisition and financing costs and amortization of the acquired intangible asset. During the six months ended March 28, 2014, we received a $1.1 million tax benefit on $4.8 million of separation costs compared with a $1.3 million tax benefit on $26.4 million of separation costs for the six months ended March 29, 2013. These impacts on the effective tax rate for the six months ended March 28, 2014 were magnified by the level of income from continuing operations before income taxes. Furthermore, our effective tax rate for the six months ended March 29, 2013 reflected the business as historically managed by Covidien rather than as an independent, publicly-traded company.

Loss from discontinued operations, net of income taxes. We recorded $0.9 million and $1.1 million losses on discontinued operations, net of income taxes, during the six months ended March 28, 2014 and March 29, 2013,

respectively. These amounts relate to indemnification obligations to the purchaser of our Specialty Chemicals business (formerly known as Mallinckrodt Baker), which was sold during fiscal 2010.

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Fiscal Year Ended September 27, 2013 Compared with Fiscal Year Ended September 28, 2012

Net Sales

Net sales by geographic area are as follows (dollars in millions):

	Fiscal Year		
	2013	**2012**	**Percentage Change**
U.S.	$ 1,518.7	$ 1,350.2	12.5%
Europe, Middle East and Africa	404.3	411.0	(1.6)
Other	281.5	295.0	(4.6)
Net sales	$ 2,204.5	$ 2,056.2	7.2

Net sales in fiscal 2013 increased $148.3 million, or 7.2%, to $2,204.5 million, compared with $2,056.2 million in fiscal 2012. This increase was primarily driven by increased sales within our Specialty Pharmaceuticals segment resulting from the launch of Methylphenidate ER, increased sales of Exalgo and the addition of Gablofen to our product portfolio in early fiscal 2013. These increases were partially offset by decreased sales in both our CMDS and Nuclear Imaging businesses. For further information on changes in our net sales, refer to *Business Segment Results*.

Operating Income

Gross profit. Gross profit for fiscal 2013 increased $60.1 million, or 6.2%, to $1,024.9 million, compared with $964.8 million in fiscal 2012. The increase in gross profit primarily resulted from higher net sales in the current year period, in addition to a favorable product mix from increased sales of our higher margin pharmaceutical products. These factors were offset by increased manufacturing and raw material costs, primarily attributable to the unscheduled shutdown of the HFR that supplies us with Mo-99. Gross profit margin was 46.5% during fiscal 2013, compared with 46.9% during fiscal 2012.

Selling, general and administrative expenses. Selling, general and administrative expenses for fiscal 2013 were $609.9 million, compared with $551.7 million for fiscal 2012, an increase of $58.2 million, or 10.5%. The increase primarily resulted from $70.6 million of costs in the current year period related to the build-out of our corporate infrastructure, compared with $10.7 million in the prior year period. Selling, general and administrative expenses were 27.7% of net sales for fiscal 2013 and 26.8% of net sales for fiscal 2012. Selling, general and administrative expenses include allocations from Covidien of $39.6 million and $49.2 million in fiscal 2013 and 2012, respectively, for general corporate expenses. These expenses are generally consistent with functions we have developed in our corporate build-out and ceased following the completion of the separation on June 28, 2013. Fiscal 2013 included minimal launch expenses related to Xartemis XR and Pennsaid 2%. Beginning in the first half of fiscal 2014, we expect expenses in our Brands business to increase in anticipation of our launch of these products.

Research and development expenses. R&D expenses increased $21.6 million, or 15.0%, to $165.7 million in fiscal 2013, compared with $144.1 million in fiscal 2012. The increase in R&D expenses is primarily attributable to increased development activities related to our MNK-155, Pennsaid 2%, and intrathecal products. The increase in R&D also reflects a $5.0 million milestone payment related to acceptance of the Xartemis XR NDA for priority review by the FDA. As a percentage of our net sales, R&D expenses were 7.5% and 7.0% in fiscal 2013 and 2012, respectively.

Separation costs. During fiscal 2013 and 2012, we incurred separation costs of $74.2 million and $25.5 million, respectively, primarily related to legal, accounting, tax and other professional fees. Separation costs were higher in the current year period as we approached and completed the separation on June 28, 2013. We expect to continue to incur costs related to the separation as a result of our transition services agreement with Covidien, our costs to implement information and accounting systems, share-based compensation related to the conversion of Covidien awards to Mallinckrodt awards, and other transitional costs; however, these costs are not expected to recur at similar levels in future periods.

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Restructuring and related charges, net. During fiscal 2013, we recorded $35.8 million of restructuring and related charges, net, of which $2.6 million related to accelerated depreciation and was included in cost of sales. The remaining $33.2 million primarily related to severance and employee benefits costs incurred across both our segments. During fiscal 2012, we recorded restructuring and related charges, net of $19.2 million, of which $8.0 million related to accelerated depreciation and was included in cost of sales. The remaining $11.2 million primarily related to severance and employee benefits costs incurred in the Global Medical Imaging segment.

Gain on divestitures. During both fiscal 2013 and 2012, we recorded gains of $2.9 million related to the sale of the rights to market TussiCaps extended-release capsules in fiscal 2011.

Non-Operating Items

Interest expense and interest income. During fiscal 2013, net interest expense was $19.2 million. Net interest expense is primarily attributable to our $900 million issuance of senior unsecured notes in April 2013. Interest expense during fiscal 2013 includes $1.1 million non-cash interest expense.

Other income, net. During fiscal 2013 and 2012, we recorded other income, net of $0.8 million and $1.0 million, respectively, which represents miscellaneous items, including gains and losses on intercompany financing foreign currency transactions and related hedging instruments.

Provision for income taxes. Income tax expense was $68.6 million and $94.8 million on income from continuing operations before income taxes of $126.4 million and $236.1 million for fiscal 2013 and 2012, respectively. Our effective tax rate was 54.3% compared with 40.2% for fiscal 2013 and 2012, respectively. Our effective tax rate for fiscal 2013 was impacted by only receiving a $4.2 million tax benefit on $74.2 million of separation costs due to the tax-free status of the separation, $13.3 million of expense associated with uncertain tax positions, and an $11.6 million benefit associated with intercompany debt transferred to the Company at the separation. Our effective tax rate for fiscal 2012 was impacted by only receiving $1.8 million of tax benefit on $25.5 million of separation costs due to the tax-free status of the separation and recognizing $2.3 million of expense associated with uncertain tax positions.

Income (loss) from discontinued operations, net of income taxes. We recorded a $1.0 million gain and $6.7 million loss on discontinued operations, net of income taxes, during fiscal 2013 and 2012, respectively. These amounts relate to indemnification obligations to the purchaser of our Specialty Chemicals business (formerly known as Mallinckrodt Baker), which was sold during fiscal 2010.

Fiscal Year Ended September 28, 2012 Compared with Fiscal Year Ended September 30, 2011

Net Sales

Net sales by geographic area are as follows (dollars in millions):

	Fiscal Year		Percentage
	2012	2011	Change
U.S.	$ 1,350.2	$ 1,293.8	4.4%
Europe, Middle East and Africa	411.0	419.7	(2.1)
Other	295.0	308.3	(4.3)

Net sales	$ 2,056.2	$ 2,021.8	1.7

Net sales in fiscal 2012 increased $34.4 million, or 1.7%, to $2,056.2 million, compared with $2,021.8 million in fiscal 2011. This increase was primarily driven by a $50.7 million increase in sales of Exalgo within our Specialty Pharmaceuticals segment, partially offset by a $22.7 million decrease in sales of our Optiray contrast product within our Global Medical Imaging segment. For further information on changes in our net sales, refer to *Business Segment Results*.

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Operating Income

Gross profit. Gross profit for fiscal 2012 increased $49.9 million, or 5.5%, to $964.8 million, compared with $914.9 million in fiscal 2011. The increase in gross profit was primarily a result of overall higher net sales. Gross margin was 46.9% in fiscal 2012, compared with 45.3% in fiscal 2011. The increase in gross margin was primarily attributable to a more favorable product mix resulting from increased sales of our higher margin branded pharmaceutical products.

Selling, general and administrative expenses. Selling, general and administrative expenses for fiscal 2012 were $551.7 million, compared with $532.5 million for fiscal 2011, an increase of $19.2 million, or 3.6%. The increase in selling, general and administrative expenses primarily resulted from higher legal and benefit costs. Selling, general and administrative expenses were 26.8% of net sales for fiscal 2012, compared with 26.3% of net sales for fiscal 2011.

Research and development expenses. R&D expenses increased $2.6 million, or 1.8%, to $144.1 million in fiscal 2012, compared with $141.5 million in fiscal 2011. The increase in R&D expenses is primarily attributable to increased development activities related to our Xartemis XR and MNK-155 products, as well as higher salary and benefit costs. As a percentage of our net sales, R&D expenses were 7.0% in both fiscal 2012 and 2011.

Separation costs. During fiscal 2012 and 2011, we incurred separation costs of $25.5 million and $2.9 million, respectively, primarily related to tax, accounting and other professional fees.

Restructuring and related charges, net. During fiscal 2012, we recorded $19.2 million of restructuring and related charges, net, of which $8.0 million related to accelerated depreciation and was included in cost of sales. The accelerated depreciation resulted from the decision to shut down our plant in Chesterfield, U.K. The remaining $11.2 million primarily related to severance and employee benefits costs due to a reduction in work force. During fiscal 2011, we recorded restructuring and related charges, net of $10.0 million, of which $1.6 million related to accelerated depreciation and was included in cost of sales. The remaining $8.4 million primarily related to severance and employee benefit costs incurred within our Specialty Pharmaceuticals segment.

Gain on divestitures. During fiscal 2011, we recorded an $11.1 million gain related to the sale of the rights to market TussiCaps extended-release capsules. We recorded an additional $2.9 million gain related to this sale during fiscal 2012.

Non-Operating Items

Interest expense and interest income. During fiscal 2012 and 2011, interest expense, net of interest income, was $0.1 million and $0.4 million, respectively.

Other income, net. During fiscal 2012 and 2011, we recorded other income, net, of $1.0 million and $2.9 million, respectively, which primarily represented royalty payments from a subsidiary of Covidien for use of certain of our trademarks and technology.

Provision for income taxes. Income tax expense was $94.8 million and $86.2 million on income from continuing operations before income taxes of $236.1 million and $243.2 million for fiscal 2012 and 2011, respectively. Our effective tax rate was 40.2% and 35.4% for fiscal 2012 and 2011, respectively. The increase in effective tax rate for fiscal 2012 resulted primarily from a decrease in earnings in lower-tax jurisdictions. The expiration of the U.S. R&D tax credit as of December 31, 2011 and the retroactive reenactment of the 2010 R&D tax credit during fiscal 2011 also contributed to the increase in the effective tax rate in fiscal 2012, as compared with fiscal 2011. Had the U.S. R&D tax credit been fully enacted during fiscal 2012, our effective tax rate would have been approximately 0.7% lower. In

addition, in fiscal 2011, we reached a settlement with certain non-U.S. taxing authorities that favorably benefited our fiscal 2011 effective tax rate.

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Loss from discontinued operations, *net of income taxes*. We recorded $6.7 million and $6.3 million losses on discontinued operations, net of income taxes, during fiscal 2012 and 2011, respectively. These losses related to indemnification obligations to the purchaser of our Specialty Chemicals business (formerly known as Mallinckrodt Baker), which was sold during fiscal 2010.

Business Segment Results

The businesses included within our Specialty Pharmaceuticals and our Global Medical Imaging segments are described below:

Specialty Pharmaceuticals

Brands include branded pharmaceuticals for pain and spasticity.

Specialty Generics and API produces specialty generic pharmaceutical products (including those to treat attention deficit hyperactivity disorder and addiction), medicinal opioids, synthetic controlled substances and acetaminophen.

Global Medical Imaging

Contrast Media and Delivery Systems develops, manufactures and markets contrast media for diagnostic imaging applications, and power injectors to allow delivery of contrast media.

Nuclear Imaging manufactures and markets radioactive isotopes and associated pharmaceuticals used for the diagnosis and treatment of disease.

Management measures and evaluates our operating segments based on segment net sales and operating income. Management excludes corporate expenses, amortization of intangibles, restructuring and related charges, and net and separation costs from segment operating income. In addition, management evaluates the operating results of the segments excluding revenues and expenses associated with sales of products to our former parent company, Covidien. Although these amounts are excluded from segment operating income, as applicable, they are included in reported consolidated and combined operating income and accordingly, are included in our discussion of our consolidated and combined results of operations.

Three Months Ended March 28, 2014 Compared with Three Months Ended March 29, 2013

Net Sales

Net sales by segment are shown in the following table (dollars in millions):

	Three Months Ended

	March 28, 2014	March 29, 2013	Percentage Change
Specialty Pharmaceuticals	$ 324.3	$ 344.4	(5.8)%
Global Medical Imaging	222.4	229.1	(2.9)
Net sales of operating segments	546.7	573.5	(4.7)
Other[(1)]	11.1	11.8	(5.9)
Net sales	$ 557.8	$ 585.3	(4.7)

(1) Represents products that were sold to Covidien.

Specialty Pharmaceuticals. Net sales for the three months ended March 28, 2014 decreased $20.1 million, or 5.8%, to $324.3 million, compared with $344.4 million for the three months ended March 29, 2013. The decrease in net sales was primarily driven by an $18.3 million decrease in Methylphenidate ER as a result of initial stocking associated with the launch of the 36mg and 54mg dosage strength tablets in the second quarter of

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fiscal 2013, a $17.7 million decrease in hydrocodone-related products due to lower volume from competitive pressures, and an $11.6 million net sales decrease in oxycodone-related products, due to $5.0 million of strategic customer incentive payments and lower volume. These decreases were partially offset by a $19.3 million increase in other controlled substances resulting from certain strategic pricing initiatives and $5.3 million in net sales from approximately one week of OFIRMEV net sales.

Net sales for Specialty Pharmaceuticals by geography were as follows (dollars in millions):

	Three Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
U.S.	$ 298.4	$ 314.3	(5.1)%
Europe, Middle East and Africa	22.6	26.1	(13.4)
Other	3.3	4.0	(17.5)
Net sales	$ 324.3	$ 344.4	(5.8)

Net sales for Specialty Pharmaceuticals by key products were as follows (dollars in millions):

	Three Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
Methylphenidate ER	$ 43.3	$ 61.6	(29.7)%
Oxycodone (API) and oxycodone-containing tablets	36.3	47.9	(24.2)
Hydrocodone (API) and hydrocodone-containing tablets	19.7	37.4	(47.3)
Other controlled substances	134.0	114.7	16.8
Other	35.9	35.0	2.6
Specialty Generics and API	269.2	296.6	(9.2)
Exalgo	28.9	28.7	0.7
OFIRMEV	5.3		
Other	20.9	19.1	9.4
Brands	55.1	47.8	15.3
Specialty Pharmaceuticals	$ 324.3	$ 344.4	(5.8)

Global Medical Imaging. Net sales for the three months ended March 28, 2014 decreased $6.7 million, or 2.9%, to $222.4 million compared with $229.1 million for the three months ended March 29, 2013. The decrease was primarily driven by a $5.6 million decline in net sales of CMDS products, which were impacted by certain strategic restructuring actions aimed at improving profitability, partially offset by increased U.S. net sales due to favorable comparisons to the prior year. Nuclear sales decreased only slightly despite supply-chain disruptions in the current year.

Net sales for Global Medical Imaging by geography were as follows (dollars in millions):

	Three Months Ended		
	March 28, 2014	**March 29, 2013**	**Percentage Change**
U.S.	$ 104.7	$ 97.8	7.1%
Europe, Middle East and Africa	77.2	78.2	(1.3)
Other	40.5	53.1	(23.7)
Net sales	$ 222.4	$ 229.1	(2.9)

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Net sales for Global Medical Imaging by key products were as follows (dollars in millions):

	Three Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
Optiray	$ 71.3	$ 75.1	(5.1)%
Other	41.3	43.1	(4.2)
Contrast Media and Delivery Systems	112.6	118.2	(4.7)
Nuclear Imaging	109.8	110.9	(1.0)
Global Medical Imaging	$ 222.4	$ 229.1	(2.9)

Operating Income

Operating income by segment and as a percentage of segment net sales for the three months ended March 28, 2014 and March 29, 2013 is shown in the following table (dollars in millions):

	Three Months Ended			
	March 28, 2014		March 29, 2013	
Specialty Pharmaceuticals	$ 105.9	32.7%	$ 105.0	30.5%
Global Medical Imaging	10.3	4.6	18.9	8.2
Segment operating income	116.2	21.3	123.9	21.6
Unallocated amounts:				
Corporate and allocated expenses	(72.7)		(40.3)	
Intangible asset amortization	(15.5)		(8.8)	
Restructuring and related charges, net[(1)]	(21.7)		(6.9)	
Separation costs	(2.6)		(14.4)	
Total operating income	$ 3.7		$ 53.5	

(1) Includes restructuring-related accelerated depreciation of $0.5 million for the three months ended March 29, 2013. Restructuring-related accelerated depreciation for the three months ended March 28, 2014 was immaterial.

Specialty Pharmaceuticals. Operating income for the three months ended March 28, 2014 increased $0.9 million to $105.9 million, compared with $105.0 million for the three months ended March 29, 2013. Our operating margin increased to 32.7% for the three months ended March 28, 2014, compared with 30.5% for the three months ended March 29, 2013. The increase in operating income and margin was primarily due to strategic pricing actions partially offset by a $17.0 million increase in selling, general and administrative expenses and lower sales of high margin Methylphenidate ER. The higher selling, general and administrative expenses were primarily to support the launch of Xartemis XR and Pennsaid 2%.

Global Medical Imaging. Operating income for the three months ended March 28, 2014 decreased $8.6 million to $10.3 million, compared with $18.9 million for the three months ended March 29, 2013. Our operating margin decreased to 4.6% for the three months ended March 28, 2014, compared with 8.2% for the three months ended March 29, 2013. The decrease in operating income was attributable to lower net sales, increased nuclear manufacturing and raw material costs and higher regulatory compliance costs. Our increased nuclear manufacturing and raw material costs were most significantly impacted by the unscheduled shutdowns of our Mo-99 processing facility and the HFR that supplies us with Mo-99, which decreased operating income by $9.0 million compared to the prior year quarter. These factors were partially offset by increased U.S. CMDS net sales due to favorable comparisons to the prior year. Ongoing increased manufacturing and raw material costs and lower net sales will very likely limit our ability to return the Global Medical Imaging segment to historical operating margins on a long-term basis.

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Corporate and allocated expenses. Corporate and allocated expenses were $72.7 million and $40.3 million for the three months ended March 28, 2014 and March 29, 2013, respectively. The increase primarily resulted from a $23.1 million environmental remediation charge, $18.5 million of transaction costs associated with our acquisition of Cadence, pending acquisition of Questcor and increased internal and third-party costs of being an independent publicly-traded company, partially offset by certain prior year costs that did not recur in the three months ended March 28, 2014. We were allocated general corporate expenses of $13.6 million during the three months ended March 29, 2013 for certain services provided by Covidien. These allocations ceased in periods following the completion of the separation on June 28, 2013.

Six Months Ended March 28, 2014 Compared with Six Months Ended March 29, 2013

Net Sales

Net sales by segment are shown in the following table (dollars in millions):

	Six Months Ended		
	March 28, 2014	**March 29, 2013**	**Percentage Change**
Specialty Pharmaceuticals	$ 633.8	$ 604.6	4.8%
Global Medical Imaging	441.0	458.8	(3.9)
Net sales of operating segments	1,074.8	1,063.4	1.1
Other[(1)]	23.2	25.9	(10.4)
Net sales	$ 1,098.0	$ 1,089.3	0.8

(1) Represents products that were sold to Covidien.

Specialty Pharmaceuticals. Net sales for the six months ended March 28, 2014 increased $29.2 million, or 4.8%, to $633.8 million, compared with $604.6 million for the six months ended March 29, 2013. The increase in net sales was primarily driven by a $40.0 million increase in other controlled substances resulting from certain strategic pricing initiatives, a $28.7 million increase in sales from Methylphenidate ER, which was launched in December 2012, and a $20.3 million increase in branded products primarily from Exalgo net sales growth and approximately one week of OFIRMEV sales. These increases were partially offset by a $37.3 million net sales decrease in oxycodone-related products, due to $24.4 million of strategic customer incentive payments and lower volume, and a $19.2 million decrease in hydrocodone-related products due to lower volume from competitive pressures.

Net sales for Specialty Pharmaceuticals by geography were as follows (dollars in millions):

	Six Months Ended		
	March 28, 2014	**March 29, 2013**	**Percentage Change**
U.S.	$ 580.3	$ 547.9	5.9%

Europe, Middle East and Africa	47.4	48.6	(2.5)
Other	6.1	8.1	(24.7)
Net sales	$ 633.8	$ 604.6	4.8

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Net sales for Specialty Pharmaceuticals by key products were as follows (dollars in millions):

	Six Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
Methylphenidate ER	$ 99.6	$ 70.9	40.5%
Oxycodone (API) and oxycodone-containing tablets	47.9	85.2	(43.8)
Hydrocodone (API) and hydrocodone-containing tablets	49.8	69.0	(27.8)
Other controlled substances	254.2	214.2	18.7
Other	67.6	70.9	(4.7)
Specialty Generics and API	519.1	510.2	1.7
Exalgo	65.1	58.0	12.2
OFIRMEV	5.3		
Other	44.3	36.4	21.7
Brands	114.7	94.4	21.5
Specialty Pharmaceuticals	$ 633.8	$ 604.6	4.8

Global Medical Imaging. Net sales for the six months ended March 28, 2014 decreased $17.8 million, or 3.9%, to $441.0 million compared with $458.8 million for the six months ended March 29, 2013. The decrease was primarily driven by a $15.4 million decline in net sales of CMDS products, which were impacted by certain restructuring actions aimed at improving profitability, partially offset by increased U.S. net sales due to favorable comparisons to the prior year. Nuclear sales decreased only slightly despite supply-chain disruptions in the current year.

Net sales for Global Medical Imaging by geography were as follows (dollars in millions):

	Six Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change
U.S.	$ 205.8	$ 199.6	3.1%
Europe, Middle East and Africa	146.6	149.3	(1.8)
Other	88.6	109.9	(19.4)
Net sales	$ 441.0	$ 458.8	(3.9)

Net sales for Global Medical Imaging by key products were as follows (dollars in millions):

	Six Months Ended		
	March 28, 2014	March 29, 2013	Percentage Change

Optiray	$ 143.4	$ 154.5	(7.2)%
Other	80.8	85.1	(5.1)
Contrast Media and Delivery Systems	224.2	239.6	(6.4)
Nuclear Imaging	216.8	219.2	(1.1)
Global Medical Imaging	$ 441.0	$ 458.8	(3.9)

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Operating Income

Operating income by segment and as a percentage of segment net sales for the six months ended March 28, 2014 and March 29, 2013 is shown in the following table (dollars in millions):

	Six Months Ended			
	March 28, 2014		March 29, 2013	
Specialty Pharmaceuticals	$ 218.9	34.5%	$ 140.0	23.2%
Global Medical Imaging	14.7	3.3	68.0	14.8
Segment operating income	233.6	21.7	208.0	19.6
Unallocated amounts:				
Corporate and allocated expenses	(97.9)		(65.7)	
Intangible asset amortization	(24.3)		(17.7)	
Restructuring and related charges, net[(1)]	(29.8)		(7.9)	
Separation costs	(4.8)		(26.4)	
Total operating income	$ 76.8		$ 90.3	

(1) Includes restructuring-related accelerated depreciation of $0.1 million and $1.3 million for the six months ended March 28, 2014 and March 29, 2013, respectively.

Specialty Pharmaceuticals. Operating income for the six months ended March 28, 2014 increased $78.9 million to $218.9 million, compared with $140.0 million for the six months ended March 29, 2013. Our operating margin increased to 34.5% for the six months ended March 28, 2014, compared with 23.2% for the six months ended March 29, 2013. The increase in operating income and margin was primarily due to strategic pricing actions, increased net sales of higher margin products, such as Methylphenidate ER, and the $11.7 million gain on the license of intellectual property to a third party. These increases were partially offset by a $16.9 million increase in selling, general and administrative expenses. The higher selling, general and administrative expenses were primarily to support the launch of Xartemis XR and Pennsaid 2%.

Global Medical Imaging. Operating income for the six months ended March 28, 2014 decreased $53.3 million to $14.7 million, compared with $68.0 million for the six months ended March 29, 2013. Our operating margin decreased to 3.3% for the six months ended March 28, 2014, compared with 14.8% for the six months ended March 29, 2013. The decrease in operating income was attributable to lower net sales, increased nuclear manufacturing and raw material costs and higher regulatory compliance costs. Our increased nuclear manufacturing and raw material costs were most significantly impacted by the unscheduled shutdowns of our Mo-99 processing facility and the HFR that supplies us with Mo-99, which decreased operating income by $24.3 million compared to the prior year period. Ongoing increased materials and manufacturing costs and lower net sales will very likely limit our ability to return the Global Medical Imaging segment to historical operating margins on a long-term basis.

Corporate and allocated expenses. Corporate and allocated expenses were $97.9 million and $65.7 million for the six months ended March 28, 2014 and March 29, 2013, respectively. The increase primarily resulted from a $23.1 million environmental remediation charge, $18.5 million of transaction costs associated with the Cadence Acquisition and our pending acquisition of Questcor, as well as increased internal and third-party costs of being an independent

publicly-traded company, partially offset by certain prior year costs that did not recur in the six months ended March 28, 2014. We were allocated general corporate expenses of $25.5 million during the six months ended March 29, 2013 for certain services provided by Covidien. These allocations ceased in periods following the completion of the separation on June 28, 2013.

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Fiscal Year Ended September 27, 2013 Compared with Fiscal Year Ended September 28, 2012

Net Sales

Net sales by segment are shown in the following table (dollars in millions):

	Fiscal Year		Percentage
	2013	**2012**	**Change**
Specialty Pharmaceuticals	$ 1,217.6	$ 1,005.2	21.1%
Global Medical Imaging	935.7	996.8	(6.1)
Net sales of operating segments	2,153.3	2,002.0	7.6
Other[(1)]	51.2	54.2	(5.5)
Net sales	$ 2,204.5	$ 2,056.2	7.2

(1) Represents products that were sold to Covidien.

Specialty Pharmaceuticals. Net sales for fiscal 2013 increased $212.4 million, or 21.1%, to $1,217.6 million, compared with $1,005.2 million for fiscal 2012. The increase in net sales was primarily driven by $148.3 million of sales from the launch of Methylphenidate ER during fiscal 2013, a $34.2 million increase in net sales of Exalgo, which was aided by the launch of the 32mg dosage in August 2012, and $29.2 million in net sales of intrathecal products.

Net sales for Specialty Pharmaceuticals by geography are as follows (dollars in millions):

	Fiscal Year		Percentage
	2013	**2012**	**Change**
U.S.	$ 1,097.9	$ 880.6	24.7%
Europe, Middle East and Africa	104.1	108.7	(4.2)
Other	15.6	15.9	(1.9)
Net sales	$ 1,217.6	$ 1,005.2	21.1

Net sales for Specialty Pharmaceuticals by key products are as follows (dollars in millions):

	Fiscal Year		Percentage
	2013	**2012**	**Change**
Acetaminophen (API) products	$ 216.2	$ 217.7	(0.7)%
Oxycodone (API) and oxycodone-containing tablets	139.0	144.1	(3.5)
Hydrocodone (API) and hydrocodone-containing tablets	140.0	130.5	7.3

Other controlled substances	112.0	111.7	0.3
Methylphenidate ER	148.3		
Other	255.7	244.8	4.5
Generics and API	1,011.2	848.8	19.1
Exalgo	126.1	91.9	37.2
Intrathecal products	29.2		
Other	51.1	64.5	(20.8)
Brands	206.4	156.4	32.0
Specialty Pharmaceuticals	$ 1,217.6	$ 1,005.2	21.1

Global Medical Imaging. Net sales for fiscal 2013 decreased $61.1 million, or 6.1%, to $935.7 million compared with $996.8 million for fiscal 2012. Net sales of CMDS products decreased $43.9 million, and were negatively impacted by the effects of commoditization in mature markets, which we expect to continue into the future, and a renegotiated customer contract in the U.S. market. Net sales of nuclear products decreased $17.2 million, primarily due to additional sales opportunities during fiscal 2012 that resulted from challenges a competitor faced in supplying the market.

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Net sales for Global Medical Imaging by geography are as follows (dollars in millions):

	Fiscal Year		Percentage
	2013	2012	Change
U.S.	$ 418.2	$ 466.8	(10.4)%
Europe, Middle East and Africa	300.2	302.3	(0.7)
Other	217.3	227.7	(4.6)
Net sales	$ 935.7	$ 996.8	(6.1)

Net sales for Global Medical Imaging by key products are as follows (dollars in millions):

	Fiscal Year		Percentage
	2013	2012	Change
Optiray	$ 318.5	$ 352.2	(9.6)%
Optimark	44.8	48.0	(6.7)
Other	134.8	141.8	(4.9)
Contrast Media and Delivery Systems	498.1	542.0	(8.1)
Ultra-Technekow DTE	188.8	202.5	(6.8)
Octreoscan	82.8	78.7	5.2
Other	166.0	173.6	(4.4)
Nuclear Imaging	437.6	454.8	(3.8)
Global Medical Imaging	$ 935.7	$ 996.8	(6.1)

Operating Income

Operating income by segment and as a percentage of segment net sales for fiscal 2013 and 2012 is shown in the following table (dollars in millions):

	Fiscal Year			
	2013		2012	
Specialty Pharmaceuticals	$ 311.7	25.6%	$ 162.8	16.2%
Global Medical Imaging	112.3	12.0	214.3	21.5
Segment operating income	424.0	19.7	377.1	18.8
Unallocated amounts:				
Corporate and allocated expenses	(133.8)		(69.9)	
Intangible asset amortization	(35.4)		(27.3)	
Restructuring and related charges, net[(1)]	(35.8)		(19.2)	

Separation costs	(74.2)	(25.5)
Total operating income	$ 144.8	$ 235.2

(1) Includes restructuring-related accelerated depreciation of $2.6 million and $8.0 million for fiscal 2013 and 2012, respectively.

Specialty Pharmaceuticals. Operating income for fiscal 2013 increased $148.9 million to $311.7 million, compared with $162.8 million for fiscal 2012. Our operating margin increased to 25.6% for fiscal 2013, compared with 16.2% for fiscal 2012. The increase in operating income and margin was primarily due to increased sales of higher margin products, such as Methylphenidate ER and Exalgo, and favorable pricing.

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Global Medical Imaging. Operating income for fiscal 2013 decreased $102.0 million to $112.3 million, compared with $214.3 million for fiscal 2012. Our operating margin decreased to 12.0% for fiscal 2013, compared with 21.5% for fiscal 2012. The decrease in operating income was attributable to lower net sales, discussed previously, increased manufacturing and raw material costs and the effects of a renegotiated customer contract in the U.S., partially offset by a decrease in selling, general and administrative expenses. Our operating margin was most significantly impacted by higher raw material costs from the unscheduled shutdown of the HFR that supplies us with Mo-99. Ongoing increased materials and manufacturing costs will limit our ability to return the Global Medical Imaging segment to historical operating margins on a long-term basis.

Corporate and allocated expenses. Corporate and allocated expenses were $133.8 million and $69.9 million for fiscal 2013 and 2012, respectively. The increase primarily resulted from $70.6 million of costs related to the build-out of our corporate infrastructure during the current year period compared with $10.7 million during the prior year period. In addition to corporate infrastructure build-out costs, we were allocated general corporate expenses of $39.6 million and $49.2 million during fiscal 2013 and 2012, respectively, for certain functions provided by Covidien. These allocations ceased in periods following the completion of the separation on June 28, 2013.

Fiscal Year Ended September 28, 2012 Compared with Fiscal Year Ended September 30, 2011

Net Sales

Net sales by segment are shown in the following table (dollars in millions):

	Fiscal Year		Percentage
	2012	2011	Change
Specialty Pharmaceuticals	$ 1,005.2	$ 909.4	10.5%
Global Medical Imaging	996.8	1,060.0	(6.0)
Net sales of operating segments	2,002.0	1,969.4	1.7
Other[(1)]	54.2	52.4	3.4
Net sales	$ 2,056.2	$ 2,021.8	1.7

(1) Represents products that were sold to Covidien.

Specialty Pharmaceuticals. Net sales for fiscal 2012 increased $95.8 million, or 10.5%, to $1,005.2 million, compared with $909.4 million for fiscal 2011. The increase in net sales was primarily driven by increased sales of our Exalgo and Pennsaid branded products. This increase was partially offset by the impact of the extra selling week in fiscal 2011 and a decrease in net sales of oxycodone immediate-release tablets.

Net sales for Specialty Pharmaceuticals by geography are as follows (dollars in millions):

	Fiscal Year		Percentage
	2012	2011	Change

U.S.	$ 880.6	$ 784.8	12.2%
Europe, Middle East and Africa	108.7	93.4	16.4
Other	15.9	31.2	(49.0)
Net sales	$ 1,005.2	$ 909.4	10.5

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Net sales for Specialty Pharmaceuticals by key products are as follows (dollars in millions):

	Fiscal Year		Percentage
	2012	2011	Change
Acetaminophen (API) products	$ 217.7	$ 222.2	(2.0)%
Oxycodone (API) and oxycodone-containing tablets	144.1	154.1	(6.5)
Hydrocodone (API) and hydrocodone-containing tablets	130.5	116.9	11.6
Other controlled substances	111.7	107.9	3.5
Other	244.8	223.6	9.5
Generics and API	848.8	824.7	2.9
Exalgo	91.9	41.2	123.1
Other	64.5	43.5	48.3
Brands	156.4	84.7	84.7
Specialty Pharmaceuticals	$ 1,005.2	$ 909.4	10.5

Global Medical Imaging. Net sales for fiscal 2012 decreased $63.2 million, or 6.0%, to $996.8 million compared with $1,060.0 million for fiscal 2011. This decrease was largely due to decreased net sales of CMDS, primarily resulting from lower net sales of Optiray due to the renegotiation of a customer contract in the U.S. market and discontinuance of a product, combined with unfavorable currency exchange rate fluctuations and other market-related challenges. In addition, fiscal 2012 net sales growth was negatively impacted by the extra selling week in fiscal 2011.

Net sales for Global Medical Imaging by geography are as follows (dollars in millions):

	Fiscal Year		Percentage
	2012	2011	Change
U.S.	$ 466.8	$ 505.8	(7.7)%
Europe, Middle East and Africa	302.3	326.3	(7.4)
Other	227.7	227.9	(0.1)
Net sales	$ 996.8	$ 1,060.0	(6.0)

Net sales for Global Medical Imaging by key products are as follows (dollars in millions):

	Fiscal Year		Percentage
	2012	2011	Change
Optiray	$ 352.2	$ 374.9	(6.1)%
Optimark	48.0	50.3	(4.6)
Other	141.8	170.3	(16.7)

Contrast Media and Delivery Systems	542.0	595.5	(9.0)
Ultra-Technekow DTE	202.5	200.3	1.1
Octreoscan	78.7	76.9	2.3
Other	173.6	187.3	(7.3)
Nuclear Imaging	454.8	464.5	(2.1)
Global Medical Imaging	$ 996.8	$ 1,060.0	(6.0)

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Operating Income

Operating income by segment and as a percentage of segment net sales for fiscal 2012 and 2011 is shown in the following table (dollars in millions):

	Fiscal Year			
	2012		2011	
Specialty Pharmaceuticals	$ 162.8	16.2%	$ 121.5	13.4%
Global Medical Imaging	214.3	21.5	232.4	21.9
Segment operating income	377.1	18.8	353.9	18.0
Unallocated amounts:				
Corporate and allocated expenses	(69.9)		(73.3)	
Intangible asset amortization	(27.3)		(27.0)	
Restructuring and related charges, net[(1)]	(19.2)		(10.0)	
Separation costs	(25.5)		(2.9)	
Total operating income	$ 235.2		$ 240.7	

(1) Includes restructuring-related accelerated depreciation of $8.0 million and $1.6 million for fiscal 2012 and 2011, respectively.

Specialty Pharmaceuticals. Operating income for fiscal 2012 increased $41.3 million to $162.8 million, compared with $121.5 million for fiscal 2011. Our operating margin increased to 16.2% for fiscal 2012, compared with 13.4% for fiscal 2011. The increase in operating income and margin was primarily due to favorable product mix resulting from increased net sales of our higher margin branded products.

Global Medical Imaging. Operating income for fiscal 2012 decreased $18.1 million to $214.3 million, compared with $232.4 million for fiscal 2011. Our operating margin decreased to 21.5% for fiscal 2012, compared with 21.9% for fiscal 2011. The decrease in operating income and margin was primarily due to lower pricing and volume from renegotiated contracts with certain customer groups, which resulted in a switch to a dual source contract from a single source contract.

Corporate and allocated expenses. Corporate and allocated expenses were $69.9 million and $73.3 million for fiscal 2012 and 2011, respectively. These amounts include allocations of $49.2 million and $56.3 million during fiscal 2012 and 2011, respectively, for certain functions provided by Covidien. Excluding the $7.1 million decrease in the amount of allocated expenses, the remaining $3.7 million increase in corporate expenses in fiscal 2012, compared with fiscal 2011, primarily resulted from $10.7 million of costs incurred to build-out our corporate infrastructure, partially offset by lower environmental and asbestos-related costs.

Liquidity and Capital Resources

Significant factors driving our liquidity position include cash flows generated from operating activities, financing transactions, capital expenditures and cash paid in connection with acquisitions and license agreements. Historically, we have typically generated, and expect to continue to generate, positive cash flow from operations. Through June 28,

2013, as part of Covidien, our cash was swept regularly by Covidien at its discretion. Covidien also funded our operating and investing activities as needed prior to the separation. The cash and cash equivalents held by Covidien at the corporate level were not specifically identifiable or otherwise allocable to us and, as such, were not reflected on the combined balance sheets for dates prior to June 28, 2013. Cash flows related to financing activities prior to the separation reflect changes in Covidien s investments in us. Transfers of cash to and from Covidien were reflected as a component of parent company investment within parent company equity on our combined balance sheets through June 28, 2013. Our cash flows for periods prior to June 28, 2013, may not be indicative of our future performance and do not necessarily represent the cash flows that would have been generated had we operated as an independent, publicly-traded company for the entirety of the periods presented.

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Effective June 28, 2013, we are no longer participating in cash management and funding arrangements with Covidien and our ability to fund our capital needs is impacted by our ongoing ability to generate cash from operations and access to capital markets. We believe that our future cash from operations, borrowing capacity under our revolving credit facility and access to capital markets will provide adequate resources to fund our working capital needs, capital expenditures, current debt obligations and strategic investments.

A summary of our cash flows from operating, investing and financing activities is provided in the following table (dollars in millions):

	Six Months Ended		Fiscal Year		
	March 28, 2014	March 29, 2013	2013	2012	2011
Net cash provided by (used in):					
Operating activities	$ 141.2	$ (7.8)	$ 135.9	$ 255.8	$ 370.2
Investing activities	(1,331.8)	(165.0)	(234.7)	(152.2)	(112.6)
Financing activities	1,252.1	172.8	373.0	(103.6)	(257.6)
Effect of currency exchange rate changes on cash and cash equivalents	(2.1)		1.3		
Net increase in cash and cash equivalents	$ 59.4		$ 275.5	$	$

Operating Activities

Net cash provided by operating activities of $141.2 million for the six months ended March 28, 2014 was primarily attributable to income from continuing operations, as adjusted for non-cash items, partially offset by a $2.6 million inflow from net investment in working capital. The working capital inflow was primarily driven by a $79.6 million decrease in accounts receivable partially offset by a $39.0 million increase in inventory and a $34.0 million decrease in accounts payable. The higher inventory levels were driven by the availability of increased DEA quota following annual renewals. The decrease in accounts receivable was due to higher customer incentive reserves and favorable timing of cash collections.

Net cash used in operating activities of $7.8 million for the six months ended March 29, 2013 was primarily attributable to a $136.3 million outflow from net investments in working capital, partially offset by income from continuing operations, as adjusted for non-cash items. The working capital outflow was primarily driven by a $77.8 million increase in accounts receivable, a $38.4 million decrease in accrued and other liabilities and a $23.1 million increase in inventory, partially offset by a $27.3 million increase in income taxes payable, which was recorded in parent company investment. The increase in accounts receivable was attributable to sales growth primarily from the launch of Methylphenidate ER. The decrease in accrued and other liabilities resulted largely from a $37.5 million voluntary contribution to our pension plans and the annual payout of cash bonuses for performance in the prior fiscal year.

Net cash provided by operating activities of $135.9 million for fiscal 2013 was primarily attributable to income from continuing operations, as adjusted for non-cash items, partially offset by a $79.0 million outflow from net investment in working capital. The working capital outflow was primarily driven by a $181.2 million increase in accounts receivable and a $16.0 million outflow in other working capital accounts, partially offset by a $60.7 million increase in income taxes payable, which was substantially settled through parent company investment, a $27.7 million decrease

in inventory and a $22.6 million increase in accrued and other liabilities. The increase in accounts receivable was primarily attributable to the fact that $95.6 million of accounts receivable in certain jurisdictions outside the U.S. were retained by Covidien through parent company investment, which is included within the financing section of the consolidated and combined statement of cash flows.

Net cash provided by operating activities of $255.8 million for fiscal 2012 was primarily attributable to income from continuing operations, as adjusted for depreciation and amortization, partially offset by a $25.4 million outflow from net investments in working capital. The working capital outflow was primarily driven

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by a $62.8 million increase in inventory and a $38.7 million decrease in accrued and other liabilities, partially offset by a $79.4 million increase in income taxes payable, the latter of which was recorded in parent company investment. A build-up of inventory in advance of a planned plant closure contributed to the increase in inventory, while environmental payments contributed to the decrease in accrued and other liabilities.

Net cash provided by operating activities of $370.2 million in fiscal 2011 was primarily attributable to income from continuing operations, as adjusted for depreciation and amortization, deferred income taxes and an increase in working capital of $58.1 million. The increase in working capital was primarily driven by a $36.0 million increase in income taxes payable, which was recorded in parent company investment.

Investing Activities

Net cash used in investing activities increased $1,166.8 million to $1,331.8 million for the six months ended March 28, 2014, compared with $165.0 million for the six months ended March 29, 2013. This increase primarily resulted from a $1,286.0 million payment, net of cash acquired, made during the three months ended March 28, 2014 to acquire Cadence and $7.2 million for the acquisition of other intangible assets; these were partially offset by an $88.1 million payment made during the three months ended December 28, 2012 to acquire CNS Therapeutics and a $26.0 million decrease in capital expenditures.

Net cash used in investing activities increased $82.5 million to $234.7 million for fiscal 2013, compared with $152.2 million for fiscal 2012. This increase primarily resulted from an $88.1 million payment made during fiscal 2013 to acquire CNS Therapeutics and a $3.7 million increase in capital expenditures. These increases were partially offset by a $13.2 million payment in fiscal 2012 to acquire rights to Roxicodone.

Net cash used in investing activities increased $39.6 million to $152.2 million in fiscal 2012, compared with $112.6 million in fiscal 2011. This increase primarily resulted from a $23.8 million increase in capital expenditures and a $13.2 million payment made in fiscal 2012 to acquire rights to Roxicodone.

Financing Activities

Net cash provided by financing activities was $1,252.1 million for the six months ended March 28, 2014, compared with net cash provided by financing activities of $172.8 million for the six months ended March 29, 2013. The $1,079.3 million increase largely resulted from $1,296.8 million in proceeds from the issuance of external debt used to fund the Cadence Acquisition, partially offset by the current year $30.1 million repayment of debt, primarily related to debt assumed in the Cadence Acquisition, and prior year net transfers from Covidien of $172.8 million, which reflected the funding of the CNS Therapeutics acquisition and higher capital expenditures.

Net cash provided by financing activities was $373.0 million for fiscal 2013, compared with net cash used in financing activities of $103.6 million for fiscal 2012. The $476.6 million increase in cash provided by financing activities resulted from the receipt of $886.1 million of cash proceeds from the issuance of debt, net of debt financing costs, partially offset by a $411.9 million increase in net transfers to Covidien. This increase was attributable to remitting the net proceeds from the issuance of debt partially offset by the initial cash capitalization, funding of higher capital expenditures and funding of the CNS Therapeutics acquisition.

Net cash used in financing activities decreased $154.0 million to $103.6 million in fiscal 2012, compared with $257.6 million in fiscal 2011. This resulted from a decrease in net transfers to Covidien. Net transfers to Covidien were lower in fiscal 2012 due to a decrease in operating cash flow and an increase in capital expenditures.

Inflation

Inflationary pressures have had an adverse effect on us through higher raw material and fuel costs, primarily in our Global Medical Imaging segment as noted previously. We have entered into commodity swap contracts in the past to mitigate the impact of rising prices and may do so in the future. If these contracts are not effective or we are not able to achieve price increases on our products, we may continue to be impacted by these increased costs.

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Foreign Currency

Certain net sales and costs of our international operations are denominated in the local currency of the respective countries. As such, profits from these subsidiaries may be impacted by fluctuations in the value of these local currencies relative to the U.S. dollar. We also have significant intercompany financing arrangements that may result in gains and losses in our results of operations. In an effort to mitigate the impact of currency exchange rate effects we may hedge certain operational and intercompany transactions; however, our hedging strategies may not fully offset gains and losses recognized in our results of operations.

Concentration of Credit and Other Risks

Financial instruments that potentially subject us to concentrations of credit risk primarily consist of accounts receivable. We generally do not require collateral from customers. A portion of our accounts receivable outside the U.S. includes sales to government-owned or supported healthcare systems in several countries, which are subject to payment delays. Payment is dependent upon the financial stability and creditworthiness of those countries national economies.

We routinely evaluate all government receivables for potential collection risks associated with the availability of government funding and reimbursement practices. We have not incurred any significant losses on government receivables; however, if the financial condition of customers or the countries healthcare systems continue to deteriorate such that their ability to make payments is uncertain, additional allowances may be required in future periods.

For further information on these and other concentration risks, refer to Note 20 of the notes to Mallinckrodt s annual consolidated and combined financial statements and Note 18 to the interim unaudited consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus.

Debt and Capitalization

At March 28, 2014, total debt was $2,215.9 million compared with total debt at September 27, 2013 of $919.8 million.

In March 2014, in connection with the acquisition of Cadence, MIFSA and MCB, each of which is a subsidiary of Mallinckrodt plc, entered into senior secured credit facilities consisting of a $1.3 billion term loan facility due 2021 and a $250.0 million revolving credit facility due 2019. The existing facilities are fully and unconditionally guaranteed by Mallinckrodt plc, certain of its direct or indirect wholly owned U.S. subsidiaries and each of its direct or indirect wholly owned subsidiaries that owns directly or indirectly any such wholly owned U.S. subsidiary (collectively, the Guarantors). The existing facilities are secured by a security interest in certain assets of MIFSA, MCB and the Guarantors. The Facilities contain customary affirmative and negative covenants, which include, amongst other things, restrictions on our ability to declare or pay dividends, create liens, incur additional indebtedness, enter into sale and lease-back transactions, make investments, dispose of assets and merge or consolidate with any other person. In addition, the revolver contains a financial covenant that may limit our total net leverage ratio, which is defined as the ratio of (i) our consolidated debt, less any unrestricted cash and cash equivalents, to (ii) our adjusted consolidated EBITDA, as defined in the credit agreement. The existing facilities bear interest at LIBOR plus a margin based on our total net leverage ratio, and the term loan is subject to a minimum LIBOR level of 0.75%. Interest payment dates are variable based on the LIBOR rate utilized, but we generally expect interest to be payable every 90 days. The term loan requires quarterly principal amortization payments in an amount equal to 0.25% of the original principal amount of the term loan, payable on the last day of each calendar quarter, commencing on June 30, 2014, with the remaining balance payable on the due date, March 19, 2021. We incurred an

original issue discount of 0.25%, or $3.3 million associated with the term loan. The revolver contains a $150.0 million letter of credit provision, of which none had been issued as of March 28, 2014. Unused commitments on the revolver are subject to an annual

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commitment fee, determined by reference to our public debt rating, which was 0.375% as of March 28, 2014, and the fee applied to outstanding letters of credit is based on the interest rate applied to borrowings. As of March 28, 2014, the applicable interest rate on outstanding borrowings under the revolver would have been approximately 3.00%; however, there were no outstanding borrowings. As of March 28, 2014, the applicable interest rate for the term loan was 3.50% and outstanding borrowings totaled $1.3 billion.

In conjunction with entering into the revolver in March 2014, MIFSA terminated the $250.0 million five-year senior unsecured revolving credit facility entered into in March 2013.

In April 2013, MIFSA issued and sold in a private placement $300.0 million aggregate principal amount of 3.50% senior unsecured notes due April 2018 and $600.0 million aggregate principal amount of 4.75% senior unsecured notes due April 2023 (collectively, the notes). In connection with the initial offering, MIFSA entered into a registration rights agreement with the initial purchasers in which MIFSA agreed, among other things, to register the notes with the SEC within one year of the issuance of the notes. On January 16, 2014, MIFSA filed the registration statement, which was declared effective on March 5, 2014, and the notes were exchanged in accordance with the registration statement. The notes are subject to an indenture which contains customary affirmative and negative covenants. Mallinckrodt plc has fully and unconditionally guaranteed the notes on an unsecured and unsubordinated basis. MIFSA pays interest on the notes semiannually in arrears on April 15 and October 15 of each year.

Debt Covenants

As of March 28, 2014, we were, and expect to remain, in compliance with the provisions and covenants associated with our credit agreement, the notes and our other debt agreements.

Capitalization

The cash capitalization at June 28, 2013 was subject to adjustment to compensate either Mallinckrodt or Covidien, as applicable, to the extent that the aggregate of our cash, indebtedness and specified working capital accounts as of the distribution date, as well as capital expenditures made with respect to our business during fiscal 2013 through the distribution date, deviated from a target. The adjustment payment would only be payable if the amount of the adjustment payment exceeded $20 million (in which case the entire amount would be paid). Upon final calculation, no adjustment payment was required by either us or Covidien.

Dividends

We currently do not anticipate paying any cash dividends for the foreseeable future, as we intend to retain any earnings to finance R&D, acquisitions and the operation and expansion of our business. The recommendation, declaration and payment of any dividends in the future by us will be subject to the sole discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, covenants associated with certain of our debt obligations, legal requirements, regulatory constraints and other factors deemed relevant by our board of directors. Moreover, if we determine to pay any dividends in the future, there can be no assurance that we will continue to pay such dividends.

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Commitments and Contingencies

Contractual Obligations

The following table summarizes our contractual obligations as of September 27, 2013 (in millions):

		Payments Due By Period			
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations[1]	$ 1,270.8	$ 40.7	$ 81.2	$ 381.2	$ 767.7
Capital lease obligations[1]	3.4	1.5	1.9		
Operating lease obligations	66.7	19.3	23.7	13.5	10.2
Purchase obligations[2]	120.9	74.9	46.0		
Total contractual obligations	$ 1,461.8	$ 136.4	$ 152.8	$ 394.7	$ 777.9

(1) Interest on debt and capital lease obligations are projected for future periods using interest rates in effect as of September 27, 2013. Certain of these projected interest payments may differ in the future based on changes in market interest rates.

(2) Purchase obligations consist of commitments for purchases of goods and services made in the normal course of business to meet operational and capital requirements.

The preceding table does not include other liabilities of $472.4 million, as of September 27, 2013, primarily consisting of obligations under our pension and postretirement benefit plans, unrecognized tax benefits for uncertain tax positions and related accrued interest and penalties, environmental liabilities and asset retirement obligations, because the timing of their future cash outflow is uncertain. The most significant of these liabilities are discussed below.

Income taxes payable is included within other income tax liabilities on the consolidated and combined balances sheets and, as of September 27, 2013, was $153.1 million. Payment of these liabilities is uncertain and, even if payments are determined to be necessary, they are subject to the timing of rulings by the IRS of tax positions we take. For further information on income tax related matters, refer to Note 7 of the notes to our annual consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus.

As of September 27, 2013, we had net unfunded pension and postretirement benefit obligations of $45.7 million and $53.2 million, respectively. While the timing and amounts of long-term funding requirements for pension and postretirement obligations are uncertain, we do not anticipate making material contributions to our pension and postretirement benefit plans during fiscal 2014.

We are involved in various stages of investigation and cleanup related to environmental remediation matters at a number of sites. These projects relate to a variety of activities, including decontamination and decommissioning of radioactive materials and removal of solvents, metals and other hazardous substances from soil and groundwater. The ultimate cost of cleanup and timing of future cash outlays is difficult to predict given uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations and alternative cleanup methods. As of September 27, 2013, we believe that it is probable that we will incur investigation and remedial costs of approximately $46.4 million, of which $6.9 million is included in accrued and other current liabilities on our

consolidated balance sheet at September 27, 2013. Note 18 of the notes to Mallinckrodt s annual consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus provides additional information regarding environmental matters, including asset retirement obligations.

Cadence, a subsidiary of Mallinckrodt plc, contracts with various third-party manufacturers for the commercial supply of OFIRMEV. Under these agreements, Cadence is required to purchase a certain minimum number of vials each year during the terms of the contracts. As of March 28, 2014, the remaining obligations are $74.2 million, to be paid within the next five years. These amounts relate to Cadence s amended supply

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agreement with Lawrence Laboratories, an operating division of Swords Laboratories and a member of the BMS group of companies, entered into in 2013. Under this agreement, Bristol-Myers Squibb Srl (BMS Anagni), an indirect subsidiary of BMS located in Anagni, Italy, manufactures OFIRMEV in vials for sale and distribution by us in the U.S. and Canada. BMS Anagni is currently our sole supplier of OFIRMEV.

Cadence also has a manufacturing and supply agreement with Laboratorios Grifols, S.A. (Grifols), which it entered into in March 2013. Under this agreement, Grifols will develop, manufacture and supply commercial quantities of OFIRMEV in flexible IV bags. As of March 28, 2014, no obligations existed under this agreement as the initial contract year does not commence until the FDA has approved the product and manufacturing at this facility.

In March 2014, in connection with the Cadence Acquisition, MIFSA and MCB, each of which is a subsidiary of Mallinckrodt plc, entered into senior secured credit facilities consisting of a $1.3 billion variable rate senior secured term loan facility due 2021 and a $250.0 million revolving credit facility due 2019. The term loan requires quarterly principal amortization payments in an amount equal to 0.25% of the original principal amount of the term loan, payable on the last day of each calendar quarter, commencing on June 30, 2014. The revolver contains a $150.0 million letter of credit provision. We incurred an original issue discount of 0.25%, or $3.3 million associated with the term loan, and debt financing costs of $32.2 million.

Legal Proceedings

We are subject to various legal proceedings and claims, including patent infringement claims, product liability matters, environmental matters, employment disputes, contractual disputes and other commercial disputes, including those described in *Description of Mallinckrodt s Business Legal Proceedings*. We believe that these legal proceedings and claims likely will be resolved over an extended period of time. Although it is not feasible to predict the outcome of these matters, management believes, except as otherwise noted in *Description of Mallinckrodt s Business Legal Proceedings*, that their ultimate resolution will not have a material adverse effect on our financial condition, results of operations and cash flows.

Guarantees

In disposing of assets or businesses, we have historically provided representations, warranties and indemnities to cover various risks and liabilities, including unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities related to periods prior to disposition. We assess the probability of potential liabilities related to such representations, warranties and indemnities and adjust potential liabilities as a result of changes in facts and circumstances. We believe, given the information currently available, that their ultimate resolution will not have a material adverse effect on our financial condition, results of operations and cash flows.

In connection with the sale of the Specialty Chemicals business (formerly known as Mallinckrodt Baker) in fiscal 2010, we agreed to indemnify the purchaser with respect to various matters, including certain environmental, health, safety, tax and other matters. The indemnification obligations relating to certain environmental, health and safety matters have a term of 17 years from the sale, while some of the other indemnification obligations have an indefinite term. The amount of the liability relating to all of these indemnification obligations included in other liabilities on our unaudited condensed consolidated balance sheet as of March 28, 2014 was $16.8 million, of which $13.9 million related to environmental, health and safety matters. The value of the environmental, health and safety indemnity was measured based on the probability-weighted present value of the costs expected to be incurred to address environmental, health and safety claims made under the indemnity. The aggregate fair value of these

indemnification obligations did not differ significantly from their aggregate carrying value at March 28, 2014. As of March 28, 2014, the maximum future payments we could be required to make under these indemnification obligations was $71.4 million. We were required to pay $30.0 million into an escrow account as collateral to the purchaser, of which $19.4 million remained in other assets on our unaudited condensed consolidated balance sheet at March 28, 2014.

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We have recorded liabilities for known indemnification obligations included as part of environmental liabilities, which are discussed in Note 18 of the notes to Mallinckrodt s annual consolidated and combined financial statements and Note 16 to Mallinckrodt s interim unaudited consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus. In addition, we are liable for product performance; however, in the opinion of management, such obligations will not have a material adverse effect on our financial condition, results of operations and cash flows.

Off-Balance Sheet Arrangements

We are required to provide the U.S. Nuclear Regulatory Commission (NRC) financial assurance demonstrating our ability to fund the decommissioning of our Maryland Heights, Missouri radiopharmaceuticals production facility upon closure, though we do not intend to close this facility. We have provided this financial assurance in the form of a $58.0 million surety bond.

In addition, as of March 28, 2014, we had a $21.1 million letter of credit to guarantee decommissioning costs associated with our Saint Louis, Missouri plant. As of March 28, 2014, we had various other letters of credit and guarantee and surety bonds totaling $30.7 million.

We have exchanged title to $27.4 million of our plant assets in return for an equal amount of Industrial Revenue Bonds (IRB) issued by Saint Louis County. We also simultaneously leased such assets back from Saint Louis County under a capital lease expiring December 2025, the terms of which provide us with the right of offset against the IRBs. The lease also provides an option for us to repurchase the assets at the end of the lease for nominal consideration. These transactions collectively result in a ten-year property tax abatement from the date the property is placed in service. Due to right of offset, the capital lease obligation and IRB asset are recorded net in the unaudited condensed consolidated balance sheets. The Company expects that the right of offset will be applied to payments required under these arrangements.

In addition, the separation and distribution agreement entered into with Covidien in connection with the separation provides for cross-indemnities principally designed to place financial responsibility of the obligations and liabilities of our business with us and financial responsibility for the obligations and liabilities of Covidien s remaining business with Covidien, among other indemnities.

Critical Accounting Policies and Estimates

The consolidated and combined financial statements have been prepared in U.S. dollars and in accordance with accounting principles generally accepted in the U.S. (GAAP). The preparation of the consolidated and combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. The following accounting policies are based on, among other things, judgments and assumptions made by management that include inherent risks and uncertainties. Management s estimates are based on the relevant information available at the end of each period.

Revenue Recognition

We recognize revenue for product sales when title and risk of loss have transferred from us to the buyer, which may be upon shipment or upon delivery to the customer site, based on contract terms or legal requirements in non-U.S. jurisdictions. We sell products direct to retail pharmacies and end user customers and through distributors who resell the products to retail pharmacies, institutions and end user customers. We establish contracts with wholesalers, chain

stores, government agencies, institutions, managed care organizations and group purchasing organizations that provide for rebates, sales incentives, distribution service agreements (DSAs) fees, fees for services and administration fees. Direct rebates and fees are paid based on direct customer s purchases from us, including DSA fees paid to wholesalers under our DSAs. Indirect rebates and fees are paid based on products purchased from a wholesaler under a contract with us. We enter into agreements with some indirect customers to establish contract pricing for certain products. These indirect customers then

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independently select a wholesaler from which to purchase the products at these contracted prices. Alternatively, we may enter into agreements with wholesalers at a contract price to offer our products to other indirect customers. Under either arrangement, we provide credit to the wholesaler for any difference between the contracted price with the indirect customer and the wholesaler s invoice price. Such credit is called a chargeback.

When we recognize net sales, we simultaneously record an adjustment to revenue for estimated chargebacks, rebates, product returns and other sales deductions. These provisions are estimated based upon historical experience, estimated future trends, estimated customer inventory levels, current contracted sales terms with customers, level of utilization of our products and other competitive factors. We adjust reserves for rebates and chargebacks, product returns and other sales deductions to reflect differences between estimated and actual experience. Such adjustments impact the amount of sales we recognize in the period of adjustment.

Sales return reserves for new products are estimated and primarily based on our historical sales return experience with similar products, such as those within the same product line or those within the same or similar therapeutic category. In limited circumstances, where the new product is not an extension of an existing product line or where we have no historical experience with products in a similar therapeutic category (such that we cannot reliably estimate expected returns), we would defer recognition of revenue until the right of return no longer exists or until we have developed sufficient historical experience to estimate sales returns. When establishing sales return reserves for new products, we also consider estimated levels of inventory in the distribution channel and projected demand. The following table reflects activity in our sales reserve accounts (dollars in millions):

	Rebates and Chargebacks	Product Returns	Other Sales Deductions	Total
Balance at September 24, 2010	$ 205.3	$ 32.5	$ 11.9	$ 249.7
Provisions	1,218.8	40.5	47.1	1,306.4
Payments or credits	(1,200.1)	(39.1)	(45.7)	(1,284.9)
Balance at September 30, 2011	224.0	33.9	13.3	271.2
Provisions	1,085.9	30.0	41.9	1,157.8
Payments or credits	(1,077.7)	(29.2)	(42.3)	(1,149.2)
Balance at September 28, 2012	232.2	34.7	12.9	279.8
Provisions	1,219.8	37.1	60.0	1,316.9
Payments or credits	(1,194.9)	(21.7)	(57.2)	(1,273.8)
Balance at September 27, 2013	$ 257.1	$ 50.1	$ 15.7	$ 322.9

Inventory

Inventories are recorded at the lower of cost or market value, primarily using the first-in, first-out convention. We reduce the carrying value of inventories for those items that are potentially excess, obsolete or slow moving based on changes in customer demand, technology developments or other economic factors. If market conditions and actual demands are less favorable than projected, additional inventory write-downs may be required.

Goodwill and Other Intangible Assets

In performing goodwill assessments, management relies on a number of factors including operating results, business plans, economic projections, anticipated future cash flows, and transactions and market place data. There are inherent uncertainties related to these factors and judgment in applying them to the analysis of goodwill impairment. Since judgment is involved in performing goodwill valuation analyses, there is risk that the carrying value of our goodwill may be overstated or understated. We calculate our goodwill valuations using an income approach based on the present value of future cash flows of each reporting unit. This approach incorporates many assumptions including future growth rates, discount factors and income tax rates. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods.

We test goodwill during the fourth quarter of each year for impairment, or more frequently if certain indicators are present or changes in circumstances suggest that impairment may exist. We utilize a two-step

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approach. The first step requires a comparison of the carrying value of the reporting units to the fair value of these units. We estimate the fair value of our reporting units through internal analyses and valuation, using an income approach based on the present value of future cash flows. If the carrying value of a reporting unit exceeds its fair value, we will perform the second step of the goodwill impairment to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of a reporting unit s goodwill with its carrying value. To determine the implied fair value of goodwill, we allocate the fair value of a reporting unit to all of the assets and liabilities of that unit, including intangible assets, as if the reporting unit had been acquired in a business combination. Any excess of the value of a reporting unit over the amounts assigned to its assets and liabilities represents the implied fair value of goodwill. The results of our annual goodwill impairment test for fiscal 2013 showed that the fair value of each of our reporting units exceeded their respective carrying values.

Intangible assets include completed technology, licenses, trademarks and in-process research and development. We record intangible assets at cost and amortize finite-lived intangible assets using the straight-line method over five to thirty years. When a triggering event occurs, we evaluate potential impairment of finite-lived intangible assets by first comparing undiscounted cash flows associated with the asset to its carrying value. If the carrying value is greater than the undiscounted cash flows, the amount of potential impairment is measured by comparing the fair value of the assets with their carrying value. The fair value of the intangible asset is estimated using an income approach. If the fair value is less than the carrying value of the intangible asset, the amount recognized for impairment is equal to the difference between the carrying value of the asset and the present value of future cash flows. In the fourth quarter of each year, we test the indefinite-lived intangible assets for impairment by comparing the fair value of the assets, estimated using an income approach, with their carrying value and record an impairment when the carrying value exceeds the fair value. We assess the remaining useful life and the recoverability of finite-lived intangible assets whenever events or circumstances indicate that the carrying value of an asset may not be recoverable.

Contingencies

We are involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, patent infringement, product liability and environmental matters, as further discussed in *Description of Mallinckrodt s Business Legal Proceedings*. Accruals recorded for various contingencies, including legal proceedings, self-insurance and other claims, are based on judgment, the probability of losses and, where applicable, the consideration of opinions of internal and/or external legal counsel, internal and/or external technical consultants and actuarially determined estimates. When a range is established but a best estimate cannot be made, we record the minimum loss contingency amount. These estimates are often initially developed substantially earlier than the ultimate loss is known, and the estimates are reevaluated each accounting period as additional information becomes available. When we are initially unable to develop a best estimate of loss, we record the minimum amount of loss, which could be zero. As information becomes known, additional loss provision is recorded when either a best estimate can be made or the minimum loss amount is increased. When events result in an expectation of a more favorable outcome than previously expected, our best estimate is changed to a lower amount. We record receivables from third-party insurers up to the amount of the related liability when we have determined that existing insurance policies will provide reimbursement. In making this determination, we consider applicable deductibles, policy limits and the historical payment experience of the insurance carriers. Receivables are not netted against the related liabilities for financial statement presentation.

Pension and Postretirement Benefits

Our pension expense and obligations are developed from actuarial valuations. Two critical assumptions in determining pension expense and obligations are the discount rate and expected long-term return on plan assets. We evaluate these assumptions at least annually. Other assumptions reflect demographic factors such as retirement, mortality and

turnover and are evaluated periodically and updated to reflect our actual experience.

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Actual results may differ from actuarial assumptions. The discount rate is used to calculate the present value of the expected future cash flows for benefit obligations under our pension plans. For our U.S. plans, we use a broad population of Moody s AA-rated corporate bonds to determine the discount rate assumption. All bonds are non-callable, denominated in U.S. dollars and have a minimum amount outstanding of $250 million. This population of bonds was used to generate a yield curve and associated spot rate curve, to discount the projected benefit payments for the U.S. plans. The discount rate is the single level rate that produces the same result as the spot rate curve. For our non-U.S. plans, the discount rate is generally determined by reviewing country- and region-specific government and corporate bond interest rates. As of September 27, 2013, a decrease in the discount rate increases the present value of pension benefit obligations and increases pension expense. A 50 basis point decrease in the discount rate would increase our present value of pension obligations by approximately $29.8 million.

We consider the current and expected asset allocations of our pension plans, as well as historical and expected long-term rates of return on those types of plan assets, in determining the expected long-term return on plan assets. In determining the expected return on pension plan assets, we consider the relative weighting of plan assets by class and individual asset class performance expectations as provided by external advisors in reaching our conclusions on appropriate assumptions. Our overall investment objective is to obtain a long-term return on plan assets that is consistent with the level of investment risk that is considered appropriate. Investment risks and returns are reviewed regularly against benchmarks to ensure objectives are being met. As of September 27, 2013, a 50 basis point decrease in the expected long-term return on plan assets would increase our annual pension expense by approximately $2.2 million.

Share-Based Compensation

Share-based compensation cost is measured at the grant or modification date based on the value of the award and is recognized as expense over the vesting period for awards expected to vest. Determining the fair value of share-based awards at the grant date requires judgment, including estimating the expected term, expected stock price volatility, risk-free interest rate and expected dividends. Additionally, judgment is required in estimating the amount of share-based awards that are expected to be forfeited before vesting. The original estimate of the grant date fair value is not subsequently revised unless the awards are modified, but the estimate of expected forfeitures is revised throughout the vesting period and the cumulative share-based compensation cost recognized is adjusted accordingly. For more information about our share-based awards, refer to Note 14 of the notes to Mallinckrodt s annual consolidated and combined financial statements included elsewhere in this joint proxy statement/ prospectus.

Income Taxes

In determining income for financial statement purposes, we must make certain estimates and judgments. These estimates and judgments affect the calculation of certain tax liabilities and the determination of the recoverability of certain of the deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense.

Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions including the amount of future state, federal and international pre-tax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we use to manage the underlying businesses.

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We determine whether it is more likely than not that a tax position will be sustained upon examination. The tax benefit of any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the uncertainty. To the extent a full benefit is not realized on the uncertain tax position, an income tax liability is established. We adjust these liabilities as a result of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. A significant portion of our potential tax liabilities are recorded in non-current income taxes payable, which is included in other liabilities on our consolidated and combined balance sheets, as payment is not expected within one year.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. Changes in tax laws and rates could affect recorded deferred tax assets and liabilities in the future. Management is not aware of any such changes, however, which would have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

We believe that we will generate sufficient future taxable income in the appropriate jurisdictions to realize the tax benefits related to the net deferred tax assets on our consolidated and combined balance sheets. However, any reduction in future taxable income, including any future restructuring activities, may require that we record an additional valuation allowance against our deferred tax assets. An increase in the valuation allowance would result in additional income tax expense in such period and could have a significant impact on our future earnings. Our income tax expense recorded in the future may also be reduced to the extent of decreases in our valuation allowances.

Recently Issued Accounting Standards

Refer to Note 3 of the notes to Mallinckrodt s annual consolidated and combined financial statements and Note 2 to Mallinckrodt s interim unaudited consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus for a discussion regarding recently issued accounting standards and their estimated impact on our financial condition, results of operations and cash flows.

Quantitative and Qualitative Disclosures About Market Risk

Our operations include activities in the U.S. and countries outside of the U.S. These operations expose us to a variety of market risks, including the effects of changes in interest rates and currency exchange rates. We monitor and manage these financial exposures as an integral part of our overall risk management program. We do not utilize derivative instruments for trading or speculative purposes.

Interest Rate Risk

As of March 28, 2014, we had $1,300.0 million outstanding variable rate debt on our term loan, with an interest rate payable as of March 28, 2014 of LIBOR plus margin of 2.75%, or 3.50%. An unfavorable 25 basis point change in the interest rate would increase our quarterly interest payments by approximately $0.8 million. The carrying value of the term loan as of March 28, 2014 was $1,296.8 million. The remainder of our outstanding debt consisted primarily of our fixed-rate 3.50% and 4.75% senior unsecured notes due in April 2018 and April 2023, respectively, with a combined principal amount of $900.0 million. The carrying value of these notes was $898.2 million as of March 28, 2014. As these notes are fixed-rate debt, they do not subject us to interest rate risk.

In addition, we maintain a $250.0 million five-year senior secured revolving credit facility with a variable interest rate equal to LIBOR plus a margin based on our total net leverage ratio. As a result, we will be exposed to fluctuations in

interest rates to the extent of our borrowings under this facility. As of March 28, 2014, there were no outstanding borrowings under this credit facility.

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Currency Risk

Certain net sales and costs of our international operations are denominated in the local currency of the respective countries. As such, profits from these subsidiaries may be impacted by fluctuations in the value of these local currencies relative to the U.S. dollar. We also have significant intercompany financing arrangements that may result in gains and losses in our results of operations. In an effort to mitigate the impact of currency exchange rate effects we may hedge certain operational and intercompany transactions; however, our hedging strategies may not fully offset gains and losses recognized in our results of operations.

The unaudited condensed consolidated statement of income and the audited consolidated statement of income are significantly exposed to currency risk from intercompany financing arrangements, which primarily consist of intercompany debt and intercompany cash pooling, where the denominated currency of the transaction differs from the functional currency of one or more of our subsidiaries. We performed a sensitivity analysis for these arrangements as of March 28, 2014 that measures the potential unfavorable impact to income from continuing operations before income taxes from a hypothetical 10% adverse movement in foreign exchange rates relative to the U.S. dollar, with all other variables held constant. The aggregate potential unfavorable impact from a hypothetical 10% adverse change in foreign exchange rates was $33.9 million as of March 28, 2014. This hypothetical loss does not reflect any hypothetical benefits that would be derived from hedging activities, including cash holdings in similar foreign currencies, that we have historically utilized to mitigate our exposure to movements in foreign exchange rates.

The financial results of our non-U.S. operations are translated into U.S. dollars, further exposing us to currency exchange rate fluctuations. We have performed a sensitivity analysis as of March 28, 2014 that measures the change in the net financial position arising from a hypothetical 10% adverse movement in the exchange rates of the Euro, the British Pound and the Canadian Dollar, our most widely used foreign currencies, relative to the U.S. dollar, with all other variables held constant. The aggregate potential change in net financial position from a hypothetical 10% adverse change in the above currencies was $39.1 million as of March 28, 2014. The change in the net financial position associated with the translation of these currencies is generally recorded as an unrealized gain or loss on foreign currency translation within accumulated other comprehensive income in shareholders equity of our consolidated and combined balance sheets.

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SELECTED QUARTERLY FINANCIAL DATA OF MALLINCKRODT

The following unaudited quarterly statements of operations data for each of the eight quarters in the period ended September 27, 2013 have been prepared on a basis consistent with Mallinckrodt s audited annual financial statements and include, in Mallinckrodt s opinion, all normal recurring adjustments necessary for the fair presentation of the financial information contained in those statements. Mallinckrodt s historical results are not necessarily indicative of the results that may be expected in the future. The following quarterly financial data should be read in conjunction with Mallinckrodt s audited financial statements and the related notes included elsewhere in this joint proxy statement/prospectus.

	Fiscal 2013 (by quarter)			
	Q1	Q2	Q3[1]	Q4
Net sales	$ 504.0	$ 585.3	$ 570.0	$ 545.2
Gross profit	233.5	273.5	265.8	252.1
Income (loss) from continuing operations	19.8	34.5	(27.7)	31.2
(Loss) income from discontinued operations	(0.6)	(0.5)	(0.2)	2.3
Net income (loss)	19.2	34.0	(27.9)	33.5
Basic earnings (loss) per share from continuing operations[2][3]	$ 0.34	$ 0.60	$ (0.48)	$ 0.54
Diluted earnings (loss) per share from continuing operations[2][3]	0.34	0.60	(0.48)	0.54

	Fiscal 2012 (by quarter)			
	Q1	Q2	Q3	Q4
Net sales	$ 503.7	$ 523.1	$ 516.3	$ 513.1
Gross profit	234.8	253.5	243.2	233.3
Income from continuing operations	36.6	42.3	35.1	27.3
Loss from discontinued operations	(0.3)	(3.4)	(1.9)	(1.1)
Net income	36.3	38.9	33.2	26.2
Basic earnings per share from continuing operations[2][3]	$ 0.63	$ 0.73	$ 0.61	$ 0.47
Diluted earnings per share from continuing operations[2][3]	0.63	0.73	0.61	0.47

(1) Operations in the third quarter of fiscal 2013 were impacted by the separation.
(2) Quarterly and annual computations are prepared independently. Therefore, the sum of each quarter may not necessarily total the fiscal period amounts noted elsewhere within this joint proxy statement/prospectus.
(3) The computation of basic and diluted earnings per share assumes that the number of shares outstanding for the first three quarters of fiscal 2013 and each quarter in fiscal 2012 was equal to the number of ordinary shares of Mallinckrodt outstanding on June 28, 2013, immediately following the separation.

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DESCRIPTION OF MALLINCKRODT S BUSINESS

As used in this Description of Mallinckrodt s Business, we, us and our refer to Mallinckrodt only (and not, for the avoidance of doubt, to Questcor).

Overview

Mallinckrodt is a global company that develops, manufactures, markets and distributes both branded and specialty generic pharmaceuticals, API and diagnostic imaging agents. Our products are found in almost every hospital, standalone diagnostic imaging center or pharmacy in the U.S. and we have a commercial presence in approximately 65 countries. We believe our commercial reach and formulation and manufacturing expertise, coupled with our strong ability to navigate the highly regulated and technical nature of our business, have created compelling competitive advantages that we anticipate will sustain future revenue growth.

We conduct our business in the following two segments:

- Specialty Pharmaceuticals produces and markets branded and specialty generic pharmaceuticals and API, comprised of medicinal opioids, synthetic controlled substances, acetaminophen and other active ingredients; and

- Global Medical Imaging develops, manufactures and markets CMDS and radiopharmaceuticals (nuclear medicine).

For further information on our products and segments, refer to *Our Businesses and Product Strategies*.

History and Development

Our Specialty Pharmaceuticals segment can trace its development from the founding of G. Mallinckrodt & Co. in 1867 (predecessor of today s API business). We expanded from the controlled substance API business into controlled substance generics in the mid-1990s to become the 12th largest U.S. generic pharmaceuticals business in 2012, as measured by prescription volume. We started our Brands product portfolio in 2001 and in 2010 we more than doubled our branded pharmaceuticals sales force and shifted our focus to pain management. The Brands business has been a particular focus in recent years, and we now provide physicians and patients with a comprehensive suite of pain management products, including OFIRMEV, Xartemis XR, Pennsaid 2% and Exalgo through sales in doctors offices and hospitals.

Our Global Medical Imaging segment traces its start from a series of innovations by Mallinckrodt and its predecessors, including the introduction of barium in 1916 and of iodeikon, the first contrast agent for gall bladder imaging in 1920. Since then, we have expanded our CMDS business, including products for computed tomography (CT) imaging and magnetic resonance imaging (MRI). We entered the nuclear imaging business in 1966 with our Ultra-Technekow DTE technetium generators, and have subsequently expanded this product line with cold kits and other radioisotopes. In 2008, we launched a generic version of Cardiolite®Kit for the Preparation of Technetium Tc99m Sestamibi for Injection, a leading branded cardiac imaging agent and registered trademark of Lantheus Medical Imaging, Inc., which allowed us to fundamentally change the competitive dynamics for technetium generators.

In 2010, we divested our nuclear radiopharmacies in the U.S., which allowed us to focus on our Mo-99 supply. Also, in 2010, we divested our Specialty Chemicals business (formerly known as Mallinckrodt Baker) to better focus our businesses on our pharmaceutical products. In 2012, we acquired CNS Therapeutics, a specialty pharmaceutical company focused on developing and commercializing intrathecal products, under the brand name Gablofen®, for site-specific administration to the central nervous system to treat neurological disorders and intractable chronic pain. In March 2014, we acquired Cadence and its product, OFIRMEV, a proprietary intravenous formulation of acetaminophen for the management of mild to moderate pain and moderate to severe pain. In April 2014, we announced that we entered into the Merger Agreement with Questcor, a high-growth biopharmaceutical company, driven by the 19 approved indications for Acthar Gel.

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Mallinckrodt plc was incorporated in Ireland on January 9, 2013 for the purpose of holding the Pharmaceuticals business of Covidien. On June 28, 2013, Covidien shareholders of record received one Mallinckrodt ordinary share for every eight Covidien ordinary shares held as of the record date for the distribution, June 19, 2013, and the Pharmaceuticals business of Covidien was transferred to Mallinckrodt plc, thereby completing our legal separation from Covidien. On July 1, 2013, we began regular way trading on the New York Stock Exchange under the ticker symbol MNK.

Our principal executive offices are located at Damastown, Mulhuddart, Dublin 15, Ireland. Our telephone number at this location is +353 (1) 880-8180. Our U.S. headquarters is located at 675 James S. McDonnell Boulevard, Hazelwood, Missouri 63042. Our telephone number at this location is (314) 654-2000.

Our Competitive Strengths

We believe we have the following strengths:

Ability to execute on our growth strategy. We became an independent public company in June 2013. In March 2014, we acquired Cadence and its product OFIRMEV, a proprietary intravenous formulation of acetaminophen, for approximately $1.3 billion. The acquisition of OFIRMEV and its commercial organization adds a growth product to our Specialty Pharmaceuticals product portfolio and provides us with a platform to expand into the hospital market, where OFIRMEV has an established presence. In April 2014, we announced our entry into the Merger Agreement with Questcor. The combination of Mallinckrodt and Questcor (and the resulting addition of Questcor s H.P. Acthar® Gel), if completed, is expected to create a diversified, high-growth specialty pharmaceutical company with significantly increased scale, revenues, profitability and cash flow, adding another strong product with 19 separate indications to our growing Brands portfolio.

Diversified business model with increasing shift towards high-margin Specialty Pharmaceuticals business. We have a leading portfolio of over 250 SKUs across our two different reporting segments, Specialty Pharmaceuticals and Global Medical Imaging. Since fiscal 2011, Specialty Pharmaceuticals net sales have grown at a compound annual growth rate of approximately 16% and operating margins have nearly doubled to 26%. Approximately 70% of net sales for the twelve months ended March 28, 2014 (after giving effect to the Merger) came from branded and specialty generic pharmaceuticals.

Strong recurring revenues and stable margins with high free cash flow conversion. Mallinckrodt has stable and growing historical revenue across both segments, with Adjusted EBITDA as a percentage of net sales ranging from 19% to 20% over the last three fiscal years. We have been able to grow our Adjusted EBITDA by focusing on our Specialty Pharmaceuticals segment and by making key acquisitions of branded products that strengthen our free cash flow generation. Questcor, which increased its net sales by 57% and its Adjusted EBITDA as a percentage of net sales by 57% in 2013 as compared to 2012, is expected to meaningfully contribute to the financial profile of the combined company. See *Certain Other Financial Data* for a reconciliation of Adjusted EBITDA, a non-GAAP financial measure, to net income. Following the consummation of the Questcor acquisition, Mallinckrodt is expected to be positioned for strong cash flow generation, enabling us to decrease leverage over time. The acquisition of Questcor is expected to be a de-leveraging transaction, as the combined company will benefit from greater cash flow generation.

Expertise in the acquisition and importation of highly regulated raw materials, and strong regulatory relationships. We have expertise in the acquisition and importation of highly regulated, naturally derived raw materials, such as opioids, other controlled substances and radioisotopes. For example, in calendar 2013, we believe we received almost 26% of the DEA s total annual quota for controlled substances that we manufacture. In the twelve months ended March 28, 2014, our Generics business had an approximate 29% market share of DEA Schedules II and III opioid, oral solid doses, based on IMS Health data. The acquisition of certain raw materials and the processing of them into finished products requires close collaboration with a wide variety of regulatory authorities including the DEA,

FDA, NRC, European Medicines Agency and Irish Medicines Board, among many others. We have a long history of working closely with regulatory agencies to ensure ongoing, reliable access to these highly regulated materials.

Specialized chemistry, development and formulation expertise which supports a product pipeline. We have specialized chemistry expertise in the formulation of new drug combinations and reformulation of existing drugs into a wide range of products, such as tablets, capsules, oral liquids, injectable and intrathecal products.

A broad portfolio of generic products and controlled substance API for pain and a pipeline of branded pharmaceutical pain products. Our Generics and API businesses have a strong position in the controlled substance generics market. Our generics products are focused on pain and attention-deficit hyperactivity disorder (ADHD) while our APIs are for a broad range of products. We believe this business offers the broadest product line of opioid and other controlled substances available (primarily DEA Schedules II and III), and we focus in a number of therapeutic areas with high barriers to entry, limited competition and long product life-cycles.

Distinctive high-quality manufacturing of complex formulations and distribution skills with vertical integration where there are competitive advantages. We have extensive expertise in the manufacturing of complex substances including those that come from naturally derived sources. Our manufacturing and supply chain capabilities enable highly efficient controlled substance tableting, packaging and distribution. We own one of the world s largest DEA Schedule C-II vault storage capacities for raw materials, intermediates and finished dosages. In our Global Medical Imaging segment, we have the capability to process Mo-99 for use in our Ultra-Technekow DTE generators and to manufacture cyclotron-derived isotopes such as thallium-201, indium-111, gallium-67, germanium-68 and iodine-123. In addition, we produce the large-volume terminally sterilized pre-filled plastic syringes that fit into our power injectors. Where appropriate, we have also pursued selective vertical integration initiatives to ensure our manufacturing and supply chain benefit from cost and productivity efficiencies, such as using several of our API products to provide the raw materials for some of our generic products.

Global commercial reach. Our Global Medical Imaging segment operates throughout the world and its direct and indirect marketing and selling capabilities are tailored to business and geographic needs. We have unique capabilities in complex markets that are not easy to enter, navigate or operate in, and there are very few companies that have the experience and expertise in manufacturing, regulatory and distribution to effectively manage controlled substances on a global scale. Our Global Medical Imaging segment has a commercial presence in approximately 65 countries that has positioned us for growth in select markets.

Strong management team with extensive industry experience. Mark Trudeau, our President and Chief Executive Officer, has more than 30 years of experience in the pharmaceuticals industry. Prior to joining Covidien s Pharmaceuticals business in January 2012, Mr. Trudeau served as Chief Executive Officer of Bayer Healthcare LLC USA, the U.S. healthcare business of Bayer AG, and as President of Bayer HealthCare Pharmaceuticals U.S. Region. Mr. Trudeau also served on the Board of the Pharmaceutical Researchers and Manufacturers of America, the National Pharmaceutical Council and as a Trustee of the

HealthCare Institute of New Jersey. Matthew Harbaugh, our Senior Vice President and Chief Financial Officer, joined Covidien s Pharmaceuticals business in 2007 and has over 20 years of financial experience, mostly in the life sciences field. Additional members of the senior management team include Peter Edwards, our Senior Vice President and General Counsel; Meredith Fischer, our Senior Vice President, Communications and Public Affairs; Sandra Hatten, our Senior Vice President, Quality and Regulatory Compliance; Hugh O Neill, our Senior Vice President and President of U.S. Specialty Pharmaceuticals; Gary Phillips, our Senior Vice President and Chief Strategy Officer; Mario Saltarelli, our Senior Vice President and Chief Science Officer; Frank Scholz, our Senior Vice President, Global Operations; and Ian Watkins, our Senior Vice President and Chief Human Resources Officer all of whom have extensive industry experience.

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While we have set forth our competitive strengths above, our business involves numerous risks and uncertainties which may prevent us from executing our strategies. These risks include, among others, risks relating to: DEA regulation of the availability of controlled substances that are API, drug products under development and marketed drug products; the highly exacting and complex nature of our manufacturing processes; the limited global supply of fission-produced Mo-99 for use in our Ultra-Technekow DTE generators; our current and anticipated customer concentration; cost-containment efforts of our customers, purchasing groups, third-party payors and governmental organizations; developing or commercializing new products or adapting to a changing technology and diagnostic treatment landscape; protecting our intellectual property rights or being subject to claims that we infringe on the intellectual property rights of others; and significant competition. For a more complete description of the risks associated with our business, see *Risk Factors Risks Related to Mallinckrodt s Business*.

Business Strategy

After the completion of the Questcor acquisition, Mallinckrodt s strategy will be to enhance growth by increasing our core technical and commercial capabilities, expanding our branded product portfolio within our Specialty Pharmaceuticals segment and continuing to selectively pursue growth opportunities in adjacent markets through acquisitions, licensing arrangements and co-promotions.

We will execute this strategy by:

Expanding our core product portfolio with new branded and generic products. We intend to continue to focus on marketing our pain and central nervous system products and the products we acquired as a result of our recently completed acquisition of Cadence (OFIRMEV) and which we expect to acquire in the Questcor acquisition (Acthar). We also have a pipeline of several branded pain management products that we intend to develop and bring to market. In addition, we believe that we can continue to expand our generic product portfolio of controlled substances, particularly in the pain market and the ADHD segment of the controlled substance market, especially those products that are difficult to formulate.

Enhancing our commercial and technical capabilities in branded pharmaceuticals. We plan to enhance our branded commercial infrastructure by focusing on a multi-pronged approach of near-term product launches, co-promotions, line extensions and selective acquisitions. Our intention is to increase our branded sales faster than our generic sales to drive margin expansion over the long term.

Growing into new, adjacent areas through acquisitions and targeted partnerships. Our business development objectives are focused on growth via targeted partnerships, as shown by our recent acquisition of Cadence and our pending acquisition of Questcor, which we believe complement our core competencies and will accelerate our organic growth initiatives. Our priority areas include co-promotions and licensing of existing product franchises, licensing of novel delivery mechanisms and technologies for existing drugs, expansion into targeted adjacent therapeutic markets such as central nervous system drugs, and broader distribution channels in developed and developing markets.

Targeting growth in select markets. We expect our manufacturing and global distribution and sales to enable our expansion beyond developed markets. We believe that our Specialty Pharmaceuticals segment is positioned for growth into select foreign markets and that it will be able to leverage our Global Medical Imaging segment s presence to facilitate its expansion.

Our Businesses and Product Strategies

We manage our business in two reportable segments: Specialty Pharmaceuticals and Global Medical Imaging. Management measures and evaluates our operating segments based on segment net sales and operating income. Information regarding the product portfolios and business strategies of these segments is included in the

following discussion. Financial information regarding each of our reportable segments, as well as other geographical information, is included in *Mallinckrodt Management s Discussion and Analysis of Financial Condition and Results of Operations* and in Note 21 of the notes to Mallinckrodt s annual consolidated and combined financial statements included elsewhere in this joint proxy statement/prospectus.

Specialty Pharmaceuticals

Our Specialty Pharmaceuticals segment has two major components: (1) Brands, which is the focus of our future growth, and (2) Generics and API, which we expect will continue to grow and generate significant cash.

Our Brands business markets branded pain drugs including OFIRMEV, Xartemis XR, Pennsaid 2% and Exalgo to office and hospital-based physicians. In addition, we submitted, and the FDA has accepted for review in May 2014, an NDA for MNK-155. We also provide generic drugs, including a variety of product formulations containing hydrocodone, oxycodone, methylphenidate and several other controlled substances. We have a pipeline of controlled substance generic products either in development or awaiting approval from the FDA. Our API business provides bulk API products, including opioids and acetaminophen, to a wide variety of pharmaceutical companies, many of which are direct competitors of our Brands and Generics businesses. In addition, we use our API for internal manufacturing of our finished dosage products. In fiscal 2013, our Specialty Pharmaceuticals segment accounted for 56.5% of net sales from our operating segments. The contribution from this segment continues to grow, and we expect this segment will represent a larger percentage of our net sales over the long term.

We are committed to responsible prescribing, dispensing, use and storage of opioid analgesics to avoid misuse, abuse, addiction, diversion and overdose. In 2013, Mallinckrodt founded and convened the Anti-Diversion Industry Working Group, a consortium of leading pharmaceutical manufacturers and distributors of controlled substances who work collaboratively to address the complex problems of prescription drug diversion and abuse. Our company-specific efforts also include a robust suspicious order monitoring program, based on DEA regulations, which goes beyond what is required of manufacturers. Using a proprietary algorithm, we work closely with our major distributors to monitor suspicious controlled substance orders and take active steps to limit potential diversion. We have taken a leadership role in the development and execution of Risk Evaluation and Mitigation Strategies (REMS) for opioid products in cooperation with the FDA and other manufacturer groups. Mallinckrodt also continues to invest heavily in the development of abuse deterrent formulations of our drugs. This technology discourages abuse of our drugs by reducing the drug liking and ability to get high. We remain committed to working with government agencies to develop pathways for incorporation into both our branded and generic portfolio. And in 2010, we started the Collaborating & Acting Responsibly to Ensure Safety Alliance (the C.A.R.E.S. Alliance), which offers free non-branded tools and materials to patients, pharmacists and physicians to foster the safe use of opioid pain medications. In addition, we sponsor drug take-back programs and have provided permanent drug take-back boxes in select communities where Mallinckrodt has a presence. Finally, Mallinckrodt has partnered to develop REMEDIES™, a multi-disciplinary continuing medical education initiative that addresses the management of both chronic and acute pain in opioid-tolerant patients.

Brands

We started our Brands product portfolio in 2001 with the acquisition of a suite of products, including Restoril (temazepam) capsules, which is indicated for the short-term treatment of insomnia, and TOFRANIL-PM (imipramine pamoate) capsules, which is indicated for the relief of symptoms of depression, from Novartis International AG. In 2010, we shifted our focus to pain management and launched several dosage strengths of our then newly acquired pain product, Exalgo. We gained approval for a 32 mg dosage strength of Exalgo in August 2012. In addition, our NDA for Pennsaid 2%, originally filed as MNK-395, was approved by the FDA in January 2014 and launched in February

2014. In March 2014, we launched Xartemis XR, the only oxycodone HCl and acetaminophen combination product for acute pain with immediate- and extended-release analgesia,

providing fast-acting and long-lasting continuous pain relief with the benefit of 12-hour dosing for patients. As of March 28, 2014, our development pipeline contains another extended-release formulation of controlled substance analgesics, MNK-155. We submitted, and the FDA has accepted for review in May 2014, an NDA for MNK-155. Our long-term strategy is to continue to expand the size and profitability of our Brands business through product line extensions and continued selective acquisitions.

We promote our branded products directly to physicians in their offices and in hospitals (including pain specialists, anesthesiologists and primary care physicians) with our own direct sales force of over 500 sales representatives to call on clinicians in both the office and hospital setting. We also use our Brands sales force to promote other Brands products. Our products are purchased by wholesalers and retail pharmacy chains, among others, and are eventually dispensed by prescription to patients. We also market our branded products directly to managed care organizations to gain access to drug formularies and allow patients access to these medications.

The following is a description of select products in our Brands product portfolio:

OFIRMEV. OFIRMEV is a proprietary intravenous formulation of acetaminophen indicated for the management of mild to moderate pain, the management of moderate to severe pain with adjunctive opioid analgesics and the reduction of fever. This product is marketed exclusively to hospitals, and is on formulary in more than 2,300 hospitals in the U.S., and provides us with an expanded presence in the hospital channel. OFIRMEV is protected by two Orange Book-listed patents that expire in August 2017 and June 2021 and have the potential to offer an additional six months of exclusivity for each patent if the FDA grants pediatric exclusivity. Prior to our acquisition of OFIRMEV, Cadence reached settlement agreements associated with certain challenges to these patents, which allow for generic competitors to OFIRMEV in December 2020, or earlier under certain circumstances.

Xartemis XR. Xartemis XR is the first and only extended-release oral combination of oxycodone and acetaminophen. Xartemis XR is approved for the management of acute pain severe enough to require opioid treatment and in patients for whom alternative treatment options are ineffective, not tolerated or would otherwise be inadequate. In February 2014, we were granted a patent from the USPTO, which contains composition claims directed to unique design, formulation, pharmacokinetic and release characteristics of Xartemis XR. Xartemis XR received FDA approval and was launched in March 2014.

Pennsaid 2%. Pennsaid 2% is a new 2% formulation of diclofenac topical solution which is indicated for the treatment of pain associated with osteoarthritis of the knee, and an extension of our Pennsaid franchise. This new formulation was studied using a twice-daily administration and is dispensed for topical usage by a new metered dose pump bottle. The NDA for Pennsaid 2% was approved by the FDA in January 2014 and we launched this product in February 2014.

Exalgo, which was acquired in June 2009, is the only long-acting, once-daily form of hydromorphone in the U.S. market. In August 2012, the FDA approved a 32 mg tablet of Exalgo, which further expanded the patient population that Exalgo can effectively treat with a single daily dose. The 8 mg, 12 mg and 16 mg dosages of Exalgo were approved by the FDA in March 2010 for the treatment of chronic pain in opioid-tolerant patients requiring continuous around-the-clock opioid analgesia for an extended amount of

time, and have shown significant prescription growth since launch in April 2010. Exalgo was granted marketing exclusivity in the U.S. as a prescription medicine through March 2013 and is protected by two Orange Book-listed patents for a method of treating moderate to severe pain. Beginning in November 2013 for the 8 mg, 12 mg and 16 mg dosages and May 2014 for the 32 mg dosage, a third party will have the right, pursuant to agreements with us, to sell a generic version of Exalgo. We expect sales of Exalgo to decrease in fiscal 2014 (compared with $126.1 million in fiscal 2013) as the third party entered the market in May 2014 pursuant to these agreements. Additionally, our patents for the 8 mg, 12 mg and 16 mg dosages expire in July 2014. In May 2014, we launched an authorized generic version of Exalgo in all tablet strengths.

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Gablofen, which was acquired in October 2012 with the acquisition of CNS Therapeutics, is indicated for use in management of severe spasticity of cerebral or spinal origin in patients age four years and above. Gablofen is offered in three concentrations in vials and, after FDA approval in January 2013, in pre-filled syringes. Pre-filled syringes were created to reduce preparation steps, helping to simplify the pump refill process for patients receiving ITB Therapy℠ (Intrathecal Baclofen Therapy). Gablofen is delivered to the patient via intrathecal administration (an injection into the sheath around the spinal cord). Along with the acquisition of CNS Therapeutics came a developmental pipeline of an additional presentation and concentration of Gablofen, as well as several investigational pain products for intrathecal administration.

Generics and API

We market our API products to other pharmaceutical companies around the world, many of which are competitors of our Brands and Generics businesses. Additionally, we use our API for internal manufacturing of our finished dosage products. We are among the largest manufacturers of bulk acetaminophen in the world and the only producer of acetaminophen outside of Asia. We manufacture controlled substances under DEA quota restrictions and in calendar 2013 we believe we received approximately 26% of the total DEA quota provided to the U.S. market for the controlled substances we manufacture. We believe that our strong market position in the API business and allocation of opioid raw materials from the DEA is a competitive advantage for our API business and, in turn, for our Generics and Brands businesses. The strategy for our API business is based on manufacturing large volumes of high-quality product and customized product offerings, responsive technical services and timely delivery to our customers.

We believe our Generics and API businesses represent the broadest available product line of opioid and other controlled substances (primarily DEA Schedules II and III). Our Generics and API businesses have a strong position in the controlled substance generics market with products, including hydrocodone, hydrocodone-containing tablets, oxycodone and oxycodone-containing tablets, all of which are significant products in the overall pain products industry, as well as methylphenidate and other controlled substance products. Historically, our primary competition has been other U.S. participants due to importation restrictions on controlled substance API and finished products. Our commitment to investment in our R&D infrastructure and capabilities has resulted in a pipeline of generic controlled substances, many of which are long-acting or hard to formulate products, which are under development or pending approval by the FDA.

We market our generic products principally to drug wholesalers, large- and medium-size retail pharmacy chains, food store chains with pharmacies, pharmaceutical benefit managers that have mail order pharmacies and hospital buying groups.

The following is a list of significant products and product families in our Generics and API product portfolio:

- acetaminophen (API) products (representing 10%, 11% and 11% of our total net sales in fiscal 2013, 2012 and 2011, respectively);
- hydrocodone (API) and hydrocodone-containing tablets;
- oxycodone (API) and oxycodone-containing tablets; and

Methylphenidate ER, our generic form of Concerta.

Global Medical Imaging

Our Global Medical Imaging segment develops, manufactures and markets products in two areas: CMDS, used in CT and MRI imaging, and Nuclear Imaging, which provides radiopharmaceuticals used in SPECT

imaging for myocardial perfusion cardiac imaging and bone scans. In fiscal 2013, our Global Medical Imaging segment accounted for 43.5% of net sales from our operating segments. We believe our Global Medical Imaging segment provides a platform for growth in select markets outside the U.S. and provides cash flow that we will use to fund growth in our Specialty Pharmaceuticals segment. Therefore, we are focused on driving operating efficiencies in the Global Imaging segment to maximize operating margins and cash flow.

Contrast Media and Delivery Systems

Our contrast media include the brands Optiray for CT and Optimark for MRI, which are packaged in pre-filled syringes, vials and bottles. Our delivery systems include power injectors to allow delivery of contrast media into the patient, coordination of the timing of the injection with the CT or MRI scanner and delivery of the contrast media at a specific rate and volume. Our CMDS product strategy is based on differentiating our Optiray and Optimark brands with pre-filled syringes as opposed to vials or bulk containers that must be transferred to a syringe for injection. Pre-filled syringes offer a safer alternative to self-filled doses and offer risk reduction benefits that address The Joint Commission (formerly the Joint Commission on Accreditation of Healthcare Organizations) and U.S. Pharmacopeia <797> guidelines. In addition, our pre-filled syringes are color coded and pre-labeled for easier medication management. Our delivery systems are marketed under the brand Optivantage Dual-Head (Optivantage DH) for CT, Optistar for MRI and Illumena for cardiac catheterization laboratories. All of our injectors can accept both pre-filled syringes and our disposable syringes for use with saline and contrast media. We sell our CMDS products primarily to hospitals and imaging centers through GPOs.

The following are significant products in our CMDS product portfolio:

Optiray (ioversol injection) is a low osmolar, lower viscosity and nonionic organically bound solution of iodine with a broad range of indications in CT imaging procedures, including peripheral and coronary arteriography, angiography and venography. Optiray is available in a Radio Frequency Identification (RFID)-enabled Ultraject pre-filled syringe that, when combined with a RFID-enabled Optivantage DH CT Contrast Delivery System (a medical device used to synchronize the injection of contrast media with the CT scanner), provides a safer and more efficient method of delivering contrast media. Sales of our Optiray product represent 14%, 17% and 19% of our total net sales in fiscal 2013, 2012 and 2011, respectively. Optiray has been on the market for over 25 years. The high capital intensity in manufacturing API for Optiray products and our significant scale have contributed to the longevity of this product.

Optimark (gadoversetamide injection) is a non-ionic extracellular Gadolinium-Based Contrast Agent (GBCA) indicated for use with MRI in patients where abnormal vascularity of the brain or liver is suspected. It is the only GBCA approved by the FDA for administration by power injector and is available in pre-filled syringes to help reduce medication errors and improve patient safety.

Nuclear Imaging

Our Nuclear Imaging business manufactures radioactive isotopes for the diagnosis and treatment of disease. Our nuclear radiopharmaceutical product offering includes both hot radioisotopes (primarily Tc-99m, used in approximately 82% of nuclear medicine imaging procedures) and cold kits (tagging agents that are paired with hot radioisotopes for diagnostic procedures.) We have significant expertise in managing the highly regulated nature of the radioactive materials used to manufacture the medical isotope generators and the short half-life of isotopes, which precludes stockpiling and requires exacting execution along all aspects of the supply chain. We believe that our

investment in Tc-99m generators in North America and Europe, our own Mo-99 processing facility and a comprehensive, very well-coordinated logistics network provides us with a competitive advantage. Our strategy for our Nuclear Imaging business is focused on bolstering the Tc-99m/Mo-99 supply chain through supplier diversification and driving operating efficiencies to maximize operating margins and cash flow. We

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have entered into agreements to obtain Mo-99 from the Maria nuclear research reactor in Poland, the High Flux Reactor in the Netherlands and the BR2 reactor in Belgium, and are also able to purchase finished Mo-99 from other suppliers in the marketplace with whom we do not have long-term supply agreements. Going forward, we will continue to seek further diversification of our supplier base.

In 2004, the U.S. National Security Administration established its Global Threat Initiative to, as quickly as possible, identify, secure and remove or facilitate the disposition of vulnerable, high-risk nuclear and radiological materials around the world. Included as one of the stated initiatives is the conversion by research reactors and isotope production facilities to LEU from HEU. We currently use HEU targets for the production of Mo-99, but ultimately intend to eliminate the use of HEU in favor of using LEU and have begun the process of converting our Mo-99 production operation in the Netherlands to LEU targets. For a discussion of how Mo-99 is used in our business, refer to *Regulatory Matters Raw Materials* and *Risk Factors Risks Related to Mallinckrodt s Business*. We primarily mark our nuclear radiopharmaceutical products to nuclear radiopharmacies in the U.S. and to hospitals in Europe.

The following are significant products in our Nuclear Imaging product portfolio:

Ultra-Technekow DTE is a dry-ship, top eluting Tc-99m radioisotope generator that provides an on-site isotope source of Tc-99m solution that is combined by a nuclear pharmacist with various cold kit targeting agents to prepare an individualized radiopharmaceutical dose. The prepared Tc-99m radiopharmaceutical is used in procedures using SPECT. SPECT radiopharmaceutical scans account for approximately 81% of all radiopharmaceutical scans and are used in a number of applications, including myocardial perfusion imaging and bone scans. Tc-99m is a decay product of Mo-99, the parent isotope contained in the Tc-99m generator. We are one of only a limited number of manufacturers of Tc-99m generators in North America and Europe, and the only one on either continent that has its own Mo-99 processing facility, which is designed to provide significant cost and raw material supply advantages.

Octreoscan (kit for the preparation of indium In-111 pentetreotide) is a unique molecular imaging agent used for the localization of primary and metastatic neuroendocrine tumors bearing somatostatin receptors. The product was approved by the FDA in June 1994 and is sold primarily in the U.S. and Europe. There are three Orange Book-listed patents for the drug product and usage in detection of neuroendocrine tumors. The last patent expires in September 2017.

Industry Overview and Trends

We believe our businesses are well positioned in attractive markets based on a broadening of access to healthcare globally, increased demand for pharmaceutical products from emerging markets and the medical industry s continued focus on diagnostic imaging for the early diagnosis of diseases.

We expect that the specialty pharmaceuticals market in the U.S. will likely grow in the low-to-mid single digits in the near-term, with the most successful companies being focused on innovation. With respect to branded drugs, most disease areas are addressed by products of a small group of companies that can create extensions of existing brands. Pain management represents the largest therapeutic prescription market in the U.S., with pain medications accounting for approximately one out of every ten dispensed prescriptions in 2012. Pain management is a time-tested therapeutic area, and pain products have been available on the U.S. market since the 1920s.

We believe our experience satisfying the regulatory requirements relating to raw materials for nuclear radiopharmaceuticals provides competitive advantages versus other potential competitors. Currently, imaging tends to be concentrated in developed markets due to its high capital-intensity requirements. However, there are opportunities for growth in emerging markets as governments build out their healthcare infrastructure.

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Competition

Specialty Pharmaceuticals

Our Specialty Pharmaceuticals products compete with products manufactured by many other companies in highly competitive markets, primarily throughout the U.S. Our competitors vary depending upon therapeutic and product categories. Major competitors of our Specialty Pharmaceuticals segment include Actavis, Inc. (formerly Watson Pharmaceuticals, Inc.), Endo Health Solutions Inc., Johnson & Johnson (including its Noramco, Inc. subsidiary), Johnson Matthey plc, Mylan Inc., Pfizer Inc., Purdue Pharma L.P. and Teva Pharmaceutical Industries Ltd., among others. Our secure sources of raw opioid material, vertically integrated manufacturing capabilities, broad offerings of API controlled substances and acetaminophen, comprehensive generic controlled substance product line and established relationships with retail pharmacies enable us to compete effectively with larger generics manufacturers. In addition, we believe that our experience with the FDA, DEA and Risk Evaluation and Mitigation Strategies (REMS) provides us the knowledge to successfully operate in this highly competitive and highly regulated environment.

The competitive landscape in the acquisition and in-licensing of pharmaceutical products has intensified in recent years as there has been a reduction in the number of compounds available and an increase in the number of companies and the collective resources bidding on available assets. The ability to effectively compete in product development, acquisitions and in-licensing is important to our long-term growth strategy. In addition to product development and acquisitions, other competitive factors in the pharmaceutical industry include product efficacy, safety, ease of use, price, demonstrated cost-effectiveness, marketing effectiveness, service, reliability of supply, reputation and access to technical information.

The highly competitive environment of our Brands business requires us to continually seek out technological innovations and to market our products effectively. Most new products that we introduce must compete with other products already on the market, as well as other products that are later developed by competitors. For our branded products, we may be granted market exclusivity through either the FDA, the U.S. Patent Office or similar agencies internationally. Regulatory exclusivity is granted by the FDA for new innovations, such as new clinical data, a new chemical entity or orphan drugs, and patents are issued for inventions, such as composition of matter or method of use. While patents offer a longer period of exclusivity, there are more bases to challenge that exclusivity than with regulatory exclusivity. Once market exclusivity expires on our branded products, competition will likely intensify as generic forms of the product are launched. Manufacturers of generic pharmaceuticals typically invest far less in R&D than research-based pharmaceutical companies, causing generic versions to typically be significantly less expensive than the related branded products. The generic form may also be required in preference to the branded version under third-party reimbursement programs, or substituted by pharmacies. If competitors introduce new products, delivery systems or processes with therapeutic or cost advantages, our products can be subject to progressive price reductions, decreased sales volume or both. To successfully compete for business with managed care and pharmacy benefits management organizations, we must often demonstrate that our branded products offer not only medical benefits but also cost advantages, as compared with other forms of care.

In our Generics business, we face intense competition from other generic drug manufacturers, brand-name pharmaceutical companies through authorized generics, existing branded equivalents and manufacturers of therapeutically similar drugs. The competition varies depending on the specific product category and dosage strength, and we believe that our competitive advantages include our ability to introduce new generic versions of brand-name drug products, our formulation expertise and drug delivery technology, our access to controlled substance API, our quality and cost-effective production, our customer service and the breadth of our generic product line. Among the large generic controlled substance providers, we are the only generic manufacturer that has its own controlled

substance API manufacturing capability, and we believe the vertical integration and production of our own API allows us to compete effectively against other pharmaceutical companies. New drugs and future developments in improved or advanced drug delivery technologies or other therapeutic techniques

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may provide therapeutic or cost advantages to competing products. The maintenance of profitable operations in generic pharmaceuticals depends, in part, on our ability to select, develop and timely launch new generic products and to manufacture such new products in a cost efficient, high-quality manner.

As a result of consolidation among wholesale distributors and rapid growth of large retail drug store chains, a small number of large wholesale distributors and retail drug store chains control a significant share of the market, and the number of independent drug stores and small drug store chains has decreased. This has resulted in customers gaining more purchasing power. Consequently, there is heightened competition among generic drug producers for the business of this smaller and more selective customer base.

In our API business, we believe that our competitive advantages include our manufacturing capabilities in controlled substances that enable high-speed, high-volume tableting, packaging and distribution. Additionally, we believe we offer customers reliability of supply and broad-based technical customer service.

Global Medical Imaging

We compete primarily on the ability of our products to capture market share. While we believe that the number of procedures using contrast media will grow in emerging markets, due in part to increasing access to healthcare, we expect that our ability to compete with other providers of contrast media will be impacted by pricing pressures. We believe that our key product characteristics, such as proven efficacy, reliability and safety, coupled with our core competencies such as our efficient manufacturing processes and established distribution network, are important factors that distinguish us from our competitors.

The market for imaging agents is highly competitive. Major competitors in our Global Medical Imaging segment include, among others, GE Healthcare, a division of General Electric Company, Bracco Imaging S.p.A., Bayer AG, Guerbet Group, Nemoto & Co, Ltd., Lantheus Medical Imaging, Inc., IBA Group, and POLATOM.

Unlike some of our competition, we offer a full line of CMDS and radiopharmaceutical products. Our broad product portfolio allows us to be a complete source for most imaging agent needs.

Our current or future products could be rendered obsolete or uneconomical as a result of the competition described above and the factors described in *Intellectual Property* and *Risk Factors Risks Related to Mallinckrodt s Business*. Our failure to compete effectively could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

Intellectual Property

We own or license a number of patents in the U.S. and other countries covering certain products and have also developed brand names and trademarks for other products. Generally, our Brands business relies upon patent protection to ensure market exclusivity for the life of the patent. We consider the overall protection of our patents, trademarks and license rights to be of material value and act to protect these rights from infringement. However, our business is not materially dependent upon any single patent, trademark or license or any group of patents, trademarks or licenses.

The majority of an innovative product s commercial value is usually realized during the period in which the product has market exclusivity. In the branded pharmaceutical industry, an innovator product s market exclusivity is generally determined by two forms of intellectual property: patent rights held by the innovator company and any regulatory forms of exclusivity to which the innovator is entitled. In the U.S. and some other countries, when market exclusivity

expires and generic versions of a product are approved and marketed, there often are very substantial and rapid declines in the branded product s sales. The rate of this decline varies by country and by therapeutic category; however, following patent expiration, branded products often continue to have some market viability based upon the goodwill of the product name, which typically benefits from trademark protection or is based on the difficulties associated with replicating the product formulation or bioavailability.

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Patents are a key determinant of market exclusivity for most branded pharmaceuticals. Patents provide the innovator with the right to exclude others from practicing an invention related to the product. Patents may cover, among other things, the active ingredient(s), various uses of a drug product, pharmaceutical formulations, drug delivery mechanisms, and processes for (or intermediates useful in) the manufacture of products. Protection for individual products extends for varying periods in accordance with the expiration dates of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of patent, its scope of coverage and the availability of meaningful legal remedies in the country.

Many developed countries provide certain non-patent incentives for the development of pharmaceuticals. For example, the U.S., E.U. and Japan each provide for a minimum period of time after the approval of certain new drugs during which the regulatory agency may not rely upon the innovator s data to approve a competitor s generic copy. Regulatory exclusivity is also available in certain markets as incentives for research on new indications, orphan drugs (drugs that demonstrate promise for the diagnosis or treatment of rare diseases or conditions) and medicines that may be useful in treating pediatric patients. Regulatory exclusivity is independent of any patent rights and can be particularly important when a drug lacks broad patent protection. However, most regulatory forms of exclusivity do not prevent a competitor from gaining regulatory approval prior to the expiration of regulatory exclusivity on the basis of the competitor s own safety and efficacy data on its drug, even when that drug is identical to that marketed by the innovator.

We estimate the likely market exclusivity period for each of our branded products on a case-by-case basis. It is not possible to predict with certainty the length of market exclusivity for any of our branded products because of the complex interaction between patent and regulatory forms of exclusivity, the relative success or lack thereof by potential competitors experience in product development and inherent uncertainties concerning patent litigation. There can be no assurance that a particular product will enjoy market exclusivity for the full period of time that we currently estimate or that the exclusivity will be limited to the estimate.

In addition to patents and regulatory forms of exclusivity, we also market products with trademarks. Trademarks have no effect on market exclusivity for a product, but are considered to have marketing value. Trademark protection continues in some countries as long as used; in other countries, as long as registered. Registrations of such trademarks are for fixed terms and subject to renewal as provided by the laws of the particular country.

Research and Development

We devote significant resources to the research and development of products and proprietary drug delivery technologies. We incurred R&D expenses of $165.7 million, $144.1 million and $141.5 million in fiscal 2013, 2012 and 2011, respectively, and $80.4 million and $77.6 million for the six months ended March 28, 2014 and March 29, 2013, respectively. We expect to continue to invest in R&D activities, as well as enter into license agreements to supplement our internal R&D initiatives. We intend to focus our R&D investments in the Specialty Pharmaceuticals segment, specifically investments to support our Brands businesses, areas in which we believe the greatest opportunity for growth and profitability. Our lower-risk, highly focused R&D approach will remain a key contributor to this growth. As noted in *Our Businesses and Product Strategies*, we market our products to pain specialists, anesthesiologists, and primary care physicians. In targeting future R&D spending, we focus on new product innovations that can be sold to these physician specialists.

The focus of our R&D within each of our businesses is noted below:

Brands. Our R&D strategy focuses on branded product development in the area of pain, other central nervous system areas, such as spasticity, and adjacent areas.

Generics and API. R&D within our Generics business is focused on developing ANDA products that incorporate DEA-controlled substances and difficult to replicate formulations. Our API R&D is focused on process improvements to our core products, which is focused on increasing manufacturing

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yields to reduce our costs. We also selectively add API products to our portfolio where we believe we have created a unique, cost-effective and competitive manufacturing process. While we patent some of these API process improvements, many more are kept as trade secrets.

Global Imaging. Our R&D efforts in our Global Medical Imaging segment are primarily focused on driving efficiency throughout CMDS. In our Nuclear Imaging business, our efforts relate to the conversion from HEU to LEU and better utilizing existing capacity.

Key Areas of Study

Our R&D group is comprised of a number of highly experienced, trained and skilled individuals with nearly 25% holding Ph.D. degrees, who have developed expertise in a number of platform technologies, including:

formulation of oral solids in novel ways to mimic patented delivery systems;

formulation of parenteral products to provide sustained blood levels of select small molecules;

linker technology to attach small molecules to radioisotopes; and

abuse-deterrent characteristics for oral solids in both immediate-release as well as extended-release to limit the abuse and misuse of controlled substances.

While many of these programs are in pre-clinical development, we anticipate that some of these will form the basis of novel products in the future. However, there is no guarantee that any of the studies underway will lead to the development of a product or whether or when such product will be further developed, launched and become commercially viable.

Select Products in Development

We are presently developing a number of branded and generic products, some of which utilize novel drug-delivery systems, through a combination of internal and collaborative programs. As of March 28, 2014, we have one NDA and numerous ANDAs awaiting review in the U.S. Our pipeline portfolio contains various products and product candidates that are reformulations of existing molecules for the treatment of pain and adjacent areas. The following are our most promising pipeline products:

MNK-155. MNK-155 is a controlled-release, long-acting oral formulation of hydrocodone and acetaminophen that we are pursuing an indication for treatment of moderate to severe acute pain. MNK-155 was formulated as a low-dose product to fulfill an unmet clinical need in the market with potentially abuse-deterrent characteristics. The formulation uses the patented Depomed Acuform drug-delivery technology, which we licensed in 2009. MNK-155 has completed Phase III clinical trials and our NDA filing was accepted for review by the FDA in May 2014.

Intrathecal Product Development. Our acquisition of CNS Therapeutics in October 2012 provided us approved concentrations of Gablofen and an R&D pipeline that included an additional presentation and concentration of Gablofen, including the pre-filled syringes that were approved in January 2013. The R&D pipeline also included several investigational pain products, in various stages of development, which could provide an alternative to products that are only available today through compounding pharmacies. Additionally, this R&D pipeline may present opportunities for development of products that may be eligible to receive orphan drug designation from the FDA.

Methylphenidate ER 18 mg. Methylphenidate ER, a generic version of the branded Concerta, is for the treatment of ADHD. In February 2013, we submitted a supplement to our approved ANDA to include the 18 mg dosage strength. The FDA has accepted this supplement and granted it priority review. In January 2014, we received a Complete Response Letter from the FDA requesting additional information, and we are working to address the request. If approved, we would then have all four dosage strengths available on the market, as we currently offer the 27 mg, 36 mg and 54 mg dosage strengths.

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Regulatory Matters

Quality Assurance Requirements

The FDA enforces regulations to ensure that the methods used in, and the facilities and controls used for, the manufacture, processing, packaging and holding of drugs and medical devices conform to cGMP. The cGMP regulations that the FDA enforces are comprehensive and cover all aspects of manufacturing operations, from receipt of raw materials to finished product distribution, and are designed to ensure that the finished products meet all the required identity, strength, quality and purity characteristics. The cGMP regulations for devices, called the Quality System Regulations, are also comprehensive and cover all aspects of device manufacture, from pre-production design validation to installation and servicing, insofar as they bear upon the safe and effective use of the device and whether the device otherwise meets the requirements of the U.S. Federal Food, Drug and Cosmetic Act (the FFDCA). Other regulatory authorities have their own cGMP rules. Ensuring compliance requires a continuous commitment of time, money and effort in all operational areas.

The FDA conducts pre-approval inspections of facilities engaged in the development, manufacture, processing, packaging, testing and holding of the drugs subject to NDAs and ANDAs. If the FDA concludes that the facilities to be used do not or did not meet cGMP, good laboratory practice (GLP) or good clinical practice (GCP) requirements, it will not approve the application. Corrective actions to remedy the deficiencies must be performed and are usually verified in a subsequent inspection. In addition, manufacturers of both pharmaceutical products and API used to formulate the drug also ordinarily undergo a pre-approval inspection, although the inspection can be waived when the manufacturer has had a passing cGMP inspection in the immediate past. Failure of any facility to pass a pre-approval inspection will result in delayed approval and could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

The FDA also conducts periodic inspections of drug and device facilities to assess their cGMP status. If the FDA were to find serious cGMP non-compliance during such an inspection, it could take regulatory actions that could materially adversely affect our business, results of operations, financial condition and cash flows. Additionally, imported API and other components needed to manufacture products could be rejected by U.S. Customs and Border Protection, usually after conferring with the FDA. In the case of domestic facilities, the FDA could initiate product seizures or, in some instances, require product recalls and seek to enjoin a product s manufacture and distribution. In certain circumstances, violations could support civil penalties and criminal prosecutions. In addition, if the FDA concludes that a company is not in compliance with cGMP requirements, sanctions may be imposed that include preventing that company from receiving the necessary licenses to export its products and classifying that company as an unacceptable supplier, thereby disqualifying that company from selling products to federal agencies.

United States

In general, drug manufacturers operate in a highly regulated environment. In the U.S., we must comply with laws, regulations, guidance documents and standards promulgated by the FDA, the DHHS, the DEA, the EPA, the NRC, the Customs Service and state boards of pharmacy.

The FDA s authority to regulate the safety and efficacy of pharmaceuticals comes from the FFDCA. In addition to reviewing NDAs, for branded drugs, and ANDAs, for generic drugs, the FDA has the authority to ensure that pharmaceuticals introduced into interstate commerce are neither adulterated nor misbranded. Adulterated means that the product may cause or has caused injury to patients when used as intended because it fails to comply with current cGMP. Misbranded means that the labels of, or promotional materials for, the product contain false or misleading information. Failure to comply with applicable FDA and other federal and state regulations could result in product

recalls or seizures, partial or complete suspension of manufacturing or distribution, refusal to approve pending NDAs or ANDAs, monetary fines, civil penalties or criminal prosecution.

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In order to market and sell a new prescription drug product in the U.S., a drug manufacturer must file with the FDA an NDA that shows the safety and effectiveness of (a) a new chemical entity that serves as the API, known as a 505(b)(1) NDA; or (b) a product that has significant differences from an already approved one, known as a 505(b)(2) NDA. Alternatively, in order to market and sell a generic version of an already approved drug product, a drug manufacturer must file an ANDA that shows that the generic version is therapeutically equivalent, or behaves almost the same when taken by a patient, to the branded drug product and, therefore, is substitutable.

For all pharmaceuticals sold in the U.S., the FDA also regulates sales and marketing to ensure that drug product claims made by manufacturers are neither false nor misleading. Manufacturers are required to file copies of all product-specific promotional materials to the FDA s Office of Prescription Drug Promotion prior to their first use by sales representatives. In general, such advertising does not require FDA prior approval. Failure to implement a robust internal company review process and comply with FDA regulations regarding advertising and promotion increases the risk of enforcement action by either the FDA or the U.S. Department of Justice.

For both NDAs and ANDAs, the manufacture, marketing and selling of certain drug products may be limited by quota grants for controlled substances by the DEA. Refer to *Drug Enforcement Administration* for further information.

NDA Process. The path leading to FDA approval of an NDA for a new chemical entity begins when the drug product is merely a chemical formulation in the laboratory. In general, the process involves the following steps:

Completion of formulation, laboratory and in vivo testing in accordance with GLP that fully characterizes the drug product from a pre-clinical perspective and provides preliminary evidence that the drug product is safe to test in human beings;

Filing with the FDA an Investigational New Drug Application that will permit the conduct of clinical trials (testing in human beings under adequate and well-controlled conditions);

Designing and conducting clinical trials to show the safety and efficacy of the drug product in accordance with GCP;

Submitting the NDA for FDA review, which provides a complete characterization of the drug product;

Satisfactory completion of FDA pre-approval inspections regarding the conduct of the clinical trials and the manufacturing processes at the designated facility in accordance with cGMP;

If applicable, satisfactory completion of an FDA Advisory Committee meeting in which the Agency requests help from outside experts in evaluating the NDA;

Final FDA approval of the full prescribing information, labeling and packaging of the drug product; and

Ongoing monitoring and reporting of adverse events related to the drug product, implementation of a REMS program, if applicable, and conduct of any required Phase IV studies.

Clinical trials are typically conducted in four sequential phases, although they may overlap. The four phases are as follows:

Phase I trials are typically small (less than 100 healthy volunteers) and are designed to determine the toxicity and maximum safe dose of the drug product.

Phase II trials usually involve 100 to 300 participants and are designed to determine whether the drug product produces any clinically significant effects in patients with the intended disease or condition. If the results of these trials show promise, then a larger Phase III trial may be conducted.

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Phase III trials are often multi-institution studies that involve a large number of participants and are designed to show efficacy. Phase III (and some Phase II) trials are designed to be pivotal, or confirmatory trials. The goal of a pivotal trial is to establish the safety and efficacy of a drug product by eliminating biases and increasing statistical power.

In some cases, the FDA requires Phase IV trials, which are usually performed after the NDA has been approved. Such post-marketing surveillance is intended to obtain more information about the risks of harm, benefits and optimal use of the drug product by observing the results of the drug product in a large number of patients.

A drug manufacturer may conduct clinical trials either in the U.S. or outside the U.S., but in all cases must comply with GCP, which includes (a) a legally effective informed consent process when enrolling participants; (b) an independent review by an Institutional Review Board to minimize and manage the risks of harm to participants; and (c) ongoing monitoring and reporting of adverse events related to the drug product.

In addition, a drug manufacturer may decide to conduct a clinical trial of a drug product on pediatric patients in order to obtain a form of marketing exclusivity as permitted under the Best Pharmaceuticals for Children Act (BPCA). Alternatively, the FDA may require a drug manufacturer, using its authority under the Pediatric Research Equity Act, to conduct a pediatric clinical trial. The goal of conducting pediatric clinical trials is to gather data on how drug products should best be administered to this patient population.

The path leading to FDA approval of an NDA for a drug product that has significant differences from an already approved one is somewhat shorter. The FDA requires a drug manufacturer to submit data from either already published reports or newly conducted studies that show the safety and efficacy of those differences. Significant differences include different dosage strengths or route of administration.

Under the U.S. Prescription Drug User Fee Act, the FDA has the authority to collect fees from drug manufacturers who submit NDAs for review and approval. These user fees help the FDA fund the drug approval process. For fiscal 2014, the user fee rate has been set at $2,169,100 for a 505(b)(1) NDA and $1,084,550 for an NDA not requiring clinical data, generally a 505(b)(2) NDA. We expense these fees as they are incurred. The average review time for an NDA is approximately six months for priority review and ten months for standard review.

ANDA Process. The path leading to FDA approval of an ANDA is much different from that of an NDA. By statute, the FDA waives the requirement for a drug manufacturer to complete pre-clinical studies and clinical trials and instead focuses on data from bioequivalence studies. Bioequivalence studies generally involve comparing the absorption rate and concentration levels of a generic drug in the human body to that of the branded drug or Reference Listed Drug (RLD). In the event that the generic drug behaves in the same manner in the human body as the RLD, the two drug products are considered bioequivalent. The FDA considers a generic drug therapeutically equivalent, and therefore substitutable, if it also contains the same active ingredients, dosage form, route of administration and strength.

In August 2013, it was reported that the average review time for an ANDA is about 35 months. In 2010, U.S. Congress passed into law the Generic Drug User Fee Act to address the FDA s backlog, which at the time was over 2,000 ANDAs. This legislation granted the FDA authority to collect, for the first time, user fees from generic drug manufacturers who submit ANDAs for review and approval, and the fees collected will help the FDA fund the drug approval process. For fiscal 2014, the user fee rate is set at $63,860 for an ANDA and $31,930 for a prior approval supplement to an ANDA. The FDA also will collect from generic drug manufacturers a separate one-time Drug Master File fee and separate annual manufacturing facility fees for API and finished drug products. These fees are expensed as incurred. The FDA anticipates that the approval process timeframe will not begin to improve until fiscal

2015.

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Aside from the backlog described above, the timing of FDA approval of ANDAs depends on other factors, including whether an ANDA holder has challenged any listed patents to the RLD and whether the RLD is entitled to one or more periods of marketing exclusivity under the FFDCA (such as pediatric exclusivity under the BPCA). In general, the FDA will not approve (but will continue to review) an ANDA in which the RLD holder has sued, within 45 days of receiving notice of the ANDA filing, the ANDA holder for patent infringement until either the litigation has been resolved or 30 months has elapsed, whichever is later.

Patent and Non-Patent Exclusivity Periods. A sponsor of an NDA is required to identify in its application any patent that claims the drug or a use of the drug subject to the application. Upon NDA approval, the FDA lists these patents in a publication referred to as the Orange Book. Any person that files a Section 505(b)(2) NDA, the type of NDA that relies upon the data in the application for which the patents are listed, or an ANDA to secure approval of a generic version of a previous drug, must make a certification in respect to listed patents. The FDA may not approve such an application for the drug until expiration of the listed patents unless the generic applicant certifies that the listed patents are invalid, unenforceable or not infringed by the proposed generic drug and gives notice to the holder of the NDA for the RLD of the bases upon which the patents are challenged, and the holder of the RLD does not sue the later applicant for patent infringement within 45 days of receipt of notice. If an infringement suit is filed, the FDA may not approve the later application until the earliest of: (a) 30 months after receipt of the notice by the holder of the NDA for the RLD; (b) entry of an appellate court judgment holding the patent invalid, unenforceable or not infringed; (c) such time as the court may order; or (d) the expiration of the patent.

One of the key motivators for challenging patents is the 180-day market exclusivity period (generic exclusivity) granted to the developer of a generic version of a product that is the first to make a Paragraph IV certification and that prevails in litigation with the manufacturer of the branded product over the applicable patent(s) or is not sued. For a variety of reasons, there are situations in which a company may not be able to take advantage of an award of generic exclusivity. The determination of when generic exclusivity begins and ends is very complicated.

The holder of the NDA for the RLD may also be entitled to certain non-patent exclusivity during which the FDA cannot approve an application for a competing generic product or 505(b)(2) NDA product. Generally, if the RLD is a new chemical entity, the FDA may not accept for filing any application that references the innovator s NDA for five years from the approval of the innovator s NDA. However, this five-year period is shortened to four years where a filer s ANDA includes a Paragraph IV certification. In other cases, where the innovator has provided certain clinical study information, the FDA may accept for filing, but may not approve, an application that references the innovator s NDA for a period of three years from the approval of the innovator s NDA.

Certain additional periods of exclusivity may be available if the RLD is indicated for use in a rare disease or condition or is studied for pediatric indications.

Risk Evaluation, Mitigation Strategies and other Postmarket Requirements. For certain drug products or classes, such as transmucosal immediate-release fentanyl products and extended-release and long-acting opioids, the FDA has the authority to require the manufacturer to provide a REMS that is intended to ensure that the benefits of a drug product (or class of drug products) outweigh the risks of harm. The FDA may require that a REMS include elements to ensure safe use to mitigate a specific serious risk of harm, such as requiring that prescriber have particular training or experience or that the drug product is dispensed in certain healthcare settings. The FDA has the authority to impose civil penalties on or take other enforcement action against any drug manufacturer who fails to properly implement an approved REMS program. Separately, a drug manufacturer cannot use an approved REMS program to delay generic competition.

In December 2011, the FDA approved a single, class-wide REMS program for transmucosal immediate-release fentanyl (TIRF) products (called the TIRF REMS Access Program) in order to ease the burden on the healthcare system. TIRF products are opioids used to manage pain in adults with cancer who routinely take other

opioid pain medicines around-the-clock. We were part of the original industry working group that collaborated to develop and implement the TIRF REMS Access Program. The goals of this program are to ensure patient access to important medications and mitigate the risk of misuse, abuse, addiction, overdose and serious complications due to medication errors by: (a) prescribing and dispensing only to appropriate patients, including use only in opioid-tolerant patients; (b) preventing inappropriate conversion between fentanyl products; (c) preventing accidental exposure to children and others for whom such products were not prescribed; and (d) educating prescribers, pharmacists and patients on the potential for misuse, abuse, addiction and overdose. This program started in March 2012 and requires manufacturers, distributors, prescribers, dispensers and patients to enroll in a real-time database that maintains a closed-distribution system.

In February 2009, the FDA requested that drug manufacturers help develop a single, shared REMS for extended-release and long-acting opioid products that contain fentanyl, hydromorphone, methadone, morphine, oxycodone and oxymorphone. In April 2009, the FDA announced that the REMS would be intended to ensure that the benefits of these drugs continue to outweigh the risks associated with: (1) use of high doses of long-acting opioids and extended-release opioid products in non-opioid-tolerant and inappropriately selected individuals; (2) abuse; (3) misuse; and (4) overdose, both accidental and intentional. We were part of the original industry working group that collaborated to develop and implement this REMS program. Upon FDA approval of Exalgo in March 2010, we implemented the product-specific REMS program that was developed internally while continuing to collaborate on the class-wide REMS program. In July 2012, the FDA approved a class-wide REMS program (called the Extended-Release and Long-Acting Opioid Analgesics REMS) that affected more than 30 extended-release and long-acting opioid analgesics (both branded and generic products). This REMS program requires drug manufacturers to make available training on appropriate prescribing practices for healthcare professionals who prescribe these opioid analgesics and to distribute educational materials on their safe use to prescribers and patients.

As part of our ongoing commitment to the responsible prescribing, dispensing and safe use of prescription opioids beyond the FDA s REMS requirements, we launched the C.A.R.E.S. Alliance in September 2010. For further discussion on the C.A.R.E.S. Alliance, refer to *Our Businesses and Product Strategies*.

In September 2013, the FDA announced that nine companies, including Mallinckrodt, that hold approved NDAs for extended-release, long-acting opioid analgesics must conduct five post-marketing studies regarding serious risks including abuse, misuse and overdose associated with the long-term use of these drug products. The nine companies are collaborating on the design of these highly complex and precedent-setting studies. The FDA has requested that final study protocols be submitted by August 2014.

Drug Enforcement Administration. The DEA is the federal agency responsible for domestic enforcement of the CSA. The CSA classifies drugs and other substances based on identified potential for abuse. Schedule I controlled substances, such as heroin and LSD, have a high abuse potential and have no currently accepted medical use; thus, they cannot be lawfully marketed or sold. Opioids, such as oxycodone, oxymorphone, morphine, fentanyl and hydrocodone, are either Schedule II or III controlled substances. Consequently, the manufacture, storage, distribution and sale of these substances are highly regulated.

The DEA regulates the availability of API, products under development and marketed drug products that are Schedule II or III by setting annual quotas. Every year, we must apply to the DEA for manufacturing quota to manufacture API and procurement quota to manufacture finished dosage products. Given that the DEA has discretion to grant or deny our manufacturing and procurement quota requests, the quota the DEA grants may be insufficient to meet our commercial and R&D needs. To date in calendar 2013, manufacturing and procurement quotas granted by the DEA have been sufficient to meet our sales and inventory requirements on most products. During calendar 2012, the initial hydrocodone manufacturing and procurement quota grants we received from the DEA were below the amounts

requested and were therefore insufficient to meet customer demand. While we were granted additional quota, these shortfalls did result in lost sales of hydrocodone products, the amount of which was not significant. Future delay or refusal by the DEA to grant, in whole or in part, our quota requests

could delay or result in stopping the manufacture of our marketed drug products, new product launches or the conduct of bioequivalence studies and clinical trials.

In October 2013, the FDA announced its recommendation that the DEA reschedule hydrocodone combination products (such as Vicodin and our developmental product MNK-155) from Schedule III to Schedule II, thereby increasing regulatory controls on these drug products. The FDA issued its formal recommendation to the DHHS, who in turn issued a similar recommendation to the DEA in December 2013. In February 2014, the DEA issued its proposal to reschedule hydrocodone combination products from Schedule III to Schedule II. The DEA proposal closed April 28, 2014. At this time, it is too early to determine the degree of impact the hydrocodone rescheduling, if adopted, will have on our business.

DEA regulations make it extremely difficult for a manufacturer in the U.S. to import finished dosage forms of controlled substances manufactured outside the U.S. These rules reflect a broader enforcement approach by the DEA to regulate the manufacture, distribution and dispensing of legally produced controlled substances. Accordingly, drug manufacturers who market and sell finished dosage forms of controlled substances in the U.S. typically manufacture or have them manufactured in the U.S.

The DEA also requires drug manufacturers to design and implement a system that identifies suspicious orders of controlled substances, such as those of unusual size, those that deviate substantially from a normal pattern and those of unusual frequency, prior to completion of the sale. A compliant SOM system includes well-defined due diligence, know your customer efforts and order monitoring.

To meet its responsibilities, the DEA conducts periodic inspections of registered establishments that handle controlled substances. Annual registration is required for any facility that manufactures, tests, distributes, dispenses, imports or exports any controlled substance. The facilities must have the security, control and accounting mechanisms required by the DEA to prevent loss and diversion. Failure to maintain compliance, particularly as manifested in loss or diversion, can result in regulatory action that could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. The DEA may seek civil penalties, refuse to renew necessary registrations or initiate proceedings to revoke those registrations. In certain circumstances, violations could lead to criminal proceedings.

Individual states also regulate controlled substances, and we, as well as our third-party API suppliers and manufacturers, are subject to such regulation by several states with respect to the manufacture and distribution of these products.

We and, to our knowledge, our third-party API suppliers, dosage form manufacturers, distributors and researchers have all necessary registrations, and we believe all registrants operate in conformity with applicable registration requirements, under controlled substance laws.

Government Benefit Programs. Statutory and regulatory requirements for Medicaid, Medicare, Tricare and other government healthcare programs govern provider reimbursement levels, including requiring that all pharmaceutical companies pay rebates to individual states based on a percentage of their net sales arising from Medicaid program-reimbursed products. The federal and state governments may continue to enact measures in the future aimed at containing or reducing payment levels for prescription pharmaceuticals paid for in whole or in part with government funds. We cannot predict the nature of such measures, which could have material adverse consequences for the pharmaceutical industry as a whole and, consequently, also for us. However, we believe we have provided for our best estimate of potential refunds based on current information available.

From time to time, legislative changes are made to government healthcare programs that impact our business. For example, the Medicare Prescription Drug Improvement and Modernization Act of 2003 created a new prescription drug coverage program for people with Medicare through a new system of private market drug benefit plans. This law provides a prescription drug benefit to seniors and individuals with disabilities in the

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Medicare program (Medicare Part D). Congress continues to examine various Medicare policy proposals that may result in pressure on the prices of prescription drugs in the Medicare program.

In addition, the Healthcare Reform Act provides for major changes to the U.S. healthcare system, which may transform the delivery and payment for healthcare services in the U.S. While some provisions of the Healthcare Reform Act have already taken effect, most of the provisions to expand access to healthcare coverage will not be implemented until 2014 and beyond. The combination of these measures, which include the elimination of lifetime caps and no rescission of policies or denial of coverage due to preexisting conditions, could expand health insurance coverage by an estimated 32 million people in the U.S., improving patients ability to obtain and maintain health insurance.

Since much of the implementation is yet to take place, there are still many challenges and uncertainties ahead. Such a comprehensive reform measure will require expanded implementation efforts on the part of federal and state agencies embarking on rule-making to develop the specific components of their new authority. We intend to monitor closely the implementation of the Healthcare Reform Act and related legislative and regulatory developments. The overall impact of the Healthcare Reform Act reflects a number of uncertainties; however, we believe that the impact to our business will be largely attributable to changes in the Medicare Part D coverage gap, the imposition of an annual fee on branded prescription pharmaceutical manufacturers and increased rebates in the Medicaid Fee-For-Service Program and Medicaid Managed Care plans. There are a number of other provisions in the legislation that collectively are expected to have a small impact, including originator average manufacturers price for new formulations and the expansion of 340B pricing to new entities.

Healthcare Fraud and Abuse Laws

We are subject to various federal, state and local laws targeting fraud and abuse in the healthcare industry. For example, in the U.S., there are federal and state anti-kickback laws that prohibit the payment or receipt of kickbacks, bribes or other remuneration intended to induce the purchase or recommendation of healthcare products and services or reward past purchases or recommendations, including the U.S. Anti-Kickback Statute and similar state statutes, the U.S. Federal Sunshine Law and other parts of the Healthcare Reform Act, the False Claims Act and the Health Insurance Portability and Accountability Act of 1996. Violations of these laws can lead to civil and criminal penalties, including fines, imprisonment and exclusion from participation in federal healthcare programs. These laws apply to hospitals, physicians and other potential purchasers of our products and are potentially applicable to us as both a manufacturer and a supplier of products reimbursed by federal healthcare programs. In addition, some states in the U.S. have enacted compliance and reporting requirements aimed at drug manufacturers.

We are also subject to the Foreign Corrupt Practices Act of 1977 and similar worldwide anti-bribery laws in non-U.S. jurisdictions which generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Because of the predominance of government-sponsored healthcare systems around the world, most of our customer relationships outside of the U.S. are with governmental entities and are therefore subject to such anti-bribery laws. Our policies mandate compliance with these anti-bribery laws; however, we operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance programs, our internal control policies and procedures may not protect us from reckless or criminal acts committed by our employees or agents.

Compliance Programs

In order to systematically and comprehensively mitigate the risks of non-compliance with regulatory requirements described within this section, we have developed what we believe to be a robust compliance program based on the April 2003 Office of the Inspector General (OIG) Compliance Program Guidance for

Pharmaceutical Manufacturers, the U.S. Federal Sentencing Guidelines, the Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals, the Code of Ethics of the Advanced Medical Technology Association, the United Kingdom (U.K.) Anti-Bribery guidance, and other relevant government guidance s and national or regional industry codes of behavior. We conduct ongoing compliance training programs for all employees and maintain a 24-hour ethics and compliance reporting hotline.

As part of our compliance program, we have implemented internal cross-functional processes to review and approve all product-specific promotional materials, presentations and external communications to address the risk of misbranding or mislabeling our products through our promotional efforts. For example, we have established programs to monitor promotional speaker activities and field sales representatives, which include a ride along program for field sales representatives similar to those included in recent Corporate Integrity Agreements from the OIG in order to obtain first-hand observations of how these approved materials are used. We have also implemented a comprehensive controlled substances compliance program, including anti-diversion efforts that go beyond the DEA s SOM requirements and we regularly assist federal, state and local law enforcement and prosecutors in the U.S. by providing information and testimony on our products and placebos for use by the DEA and other law enforcement agencies in investigations and at trial. As part of this program, we also work with some of our customers to help develop and implement what we believe are best practices for SOM and other anti-diversion activities.

We believe our compliance program design also addresses our FDA, healthcare anti-kickback and anti-fraud, and anti-bribery-related activities.

Outside the United States

Outside the U.S., we must comply with laws, guidelines and standards promulgated by other regulatory authorities that regulate the development, testing, manufacturing, marketing and selling of pharmaceuticals, including, but not limited to, Health Canada, the Medicines and Healthcare Products Regulatory Agency in the U.K., the Irish Medicines Board, the European Medicines Agency and member states of the E.U., the State Food and Drug Administration in China, the Therapeutic Goods Administration in Australia, the New Zealand Medicines and Medical Devices Safety Authority, the Ministry of Health and Welfare in Japan, the European Pharmacopoeia of the Council of Europe and the International Conference on Harmonization. Although international harmonization efforts continue, many laws, guidelines and standards differ by region or country.

We currently market our products in Canada, in various countries in the E.U., and in the Latin American, Middle Eastern, African and Asia-Pacific regions. The approval requirements and process vary by country, and the time required to obtain marketing authorization may vary from that required for FDA approval. Certain drug products and variations in drug product lines also must meet country-specific and other local regulatory requirements. The following discussion highlights some of the differences in the approval process in other regions or countries outside the U.S.

European Union. Marketing authorizations are obtained either pursuant to a centralized or decentralized procedure. The centralized procedure, which provides for a single marketing authorization valid for all E.U. member states, is mandatory for the approval of certain drug products and is optional for novel drug products that are in the interest of patient health. Under the centralized procedure, a single marketing authorization application is submitted for review to the European Medicines Agency, which makes a recommendation on the application to the European Commission, that determines whether or not to approve the application. The decentralized procedure provides for concurrent mutual recognition of national approval decisions, and is available for products that are not subject to the centralized procedure.

The E.U. has also adopted directives and other laws that govern the labeling, marketing, advertising, supply, distribution and drug safety monitoring and reporting of drug products. Such directives set regulatory standards throughout the E.U. and permit member states to supplement such standards with additional requirements.

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European governments also regulate drug prices through the control of national healthcare systems that fund a large part of such costs to patients. Many regulate the pricing of a new drug product at launch through direct price controls or reference pricing and, recently, some have also imposed additional cost-containment measures on drug products. Such differences in national pricing regimes may create price differentials between E.U. member states. Many European governments also advocate generic substitution by requiring or permitting prescribers or pharmacists to substitute a different company s generic version of a brand drug product that was prescribed, and patients are unlikely to take a drug product that is not reimbursed by their government.

Japan. The Pharmaceutical and Medical Devices Agency (PMDA) is responsible for reviewing marketing authorizations of drug products. The PMDA may require bridging studies (a clinical trial with a smaller sub-population than the original clinical trials) to demonstrate that clinical trial data obtained in trials conducted outside of Japan are applicable to Japanese patients. After completing a comprehensive review, the PMDA reports its findings to the Ministry of Health, Labour and Welfare, which either approves or denies the application.

Japan s national health insurance system maintains a Drug Price List that specifies which drug products are eligible for reimbursement and the Ministry of Health, Labour and Welfare sets pricing for such drug products. In general, the Japanese government introduces a round of price cuts every other year and mandates price reductions for specific drug products. However, new drug products that are judged innovative or useful, indicated for pediatric use, or target orphan diseases may be eligible for premium prices. Similar to other countries, the Japanese government also advocates the prescribing and use of generic drugs, where available.

Emerging Markets. Many emerging markets continue to evolve their regulatory review and oversight processes. At present, such countries typically require prior regulatory approval or marketing authorization from large, developed markets (such as the U.S.) before they will initiate or complete their review. Some countries also require the applicant to conduct local clinical trials as a condition of marketing authorization. Many emerging markets continue to implement measures to control drug product prices, such as implementing direct price controls or advocating the prescribing and use of generic drugs.

Environmental

Our operations, like those of other pharmaceutical companies, involve the use of substances regulated under environmental laws, primarily in manufacturing processes and, as such, we are subject to numerous federal, state, local and non-U.S. environmental protection and health and safety laws and regulations. We cannot assure you that we have been or will be in full compliance with environmental, health and safety laws and regulations at all times. Certain environmental laws assess strict (*i.e.*, can be imposed regardless of fault) and joint and several liability on current or previous owners of real property and current or previous owners or operators of facilities for the costs of investigation, removal or remediation of hazardous substances or materials at such properties or at properties at which parties have disposed of hazardous substances. We have, from time to time, received notification from the EPA and from state environmental agencies in the U.S. that conditions at a number of sites where the disposal of hazardous substances requires investigation, cleanup and other possible remedial actions. These agencies may require that we reimburse the government for costs incurred at these sites or otherwise pay for the cost of investigation and cleanup of these sites including compensation for damage to natural resources. We have projects underway at a number of current and former manufacturing facilities to investigate and remediate environmental contamination resulting from past operations, as further described in *Legal Proceedings* and Note 16 of the notes to Mallinckrodt s unaudited interim consolidated and combined financial statements for the six months ended March 28, 2014 included elsewhere in this joint proxy statement/prospectus.

Environmental laws are complex, change frequently and generally have become more stringent over time. We believe that our operations currently comply in all material respects with applicable environmental laws and

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regulations, and have planned for future capital and operating expenditures to comply with these laws and to address liabilities arising from past or future releases of, or exposures to, hazardous substances. However, we cannot assure you that our costs of complying with current or future environmental protection, health and safety laws and regulations will not exceed our estimates or have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

Further, we cannot assure you that we will not be subject to additional environmental claims for personal injury or cleanup in the future based on our past, present or future business activities. While it is not feasible to predict the outcome of all pending environmental matters, it is reasonably possible that there will be a need for future provisions for environmental costs that, in management s opinion, are not likely to have a material adverse effect on our financial condition, but could be material to the results of operations in any one accounting period.

Certain radiological licenses at certain manufacturing sites owned by us require the establishment of decommissioning programs which will require remediation in accordance with regulatory requirements upon cessation of operations at these sites.

Raw Materials

We contract with various third-party manufacturers and suppliers to provide us with raw materials used in our products, finished goods and certain services. If, for any reason, we are unable to obtain sufficient quantities of any of the raw materials or components required for our products, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

The active ingredients in the majority of our current pharmaceutical products and products in development, including oxycodone, oxymorphone, morphine, fentanyl, methylphenidate and hydrocodone, are listed by the DEA as Schedule II or III substances under the CSA. Consequently, their manufacture, shipment, storage, sale and use are subject to a high degree of regulation and the DEA limits both the availability of these active ingredients and the production of these products. As discussed in Regulatory Matters, we must annually apply to the DEA for procurement and production quotas in order to obtain and produce these substances. The DEA has complete discretion to adjust these quotas from time to time during the calendar year and, as a result, our procurement and production quotas may not be sufficient to meet commercial demand or to conduct bioequivalence studies and clinical trials. Any delay or refusal by the DEA in granting, in whole or in part, our quota requests for controlled substances could delay or result in the stoppage of the manufacture of our pharmaceutical products, our clinical trials or product launches and could require us to allocate product among our customers.

Our radiopharmaceutical product offering includes hot radioisotopes including Mo-99, a critical ingredient of our Ultra-Technekow DTE Tc-99m generators. Mo-99 is produced in nuclear research reactors utilizing HEU or LEU targets. These targets, either tubular or flat and of varying sizes, are fabricated from HEU or LEU and, in either case, aluminum. The targets are placed in or near the core of the nuclear reactor where fission reactions occur resulting in the production of Mo-99 and other isotopes. This process, which takes approximately six days, is known as target irradiation. There are currently eight reactors around the world producing the global supply of Mo-99. We have agreements to obtain Mo-99 from three of these reactors and we rely predominantly on two of these reactors for our Mo-99 supply. These reactors are subject to scheduled and unscheduled shutdowns which can have a significant impact on the amount of Mo-99 available for processing. Mo-99 produced at these reactors is then finished at one of five processing sites located throughout the world, including our processing facility located in the Netherlands. At the processing facility, the targets are dissolved and chemically separated. In this process, the Mo-99 is isolated as a radiochemical. We transport finished Mo-99 from our processing facility in the Netherlands to our facility in Maryland Heights, Missouri, where it, together with Mo-99 received from other third-party processors, is loaded into

our Tc-99m generators. Mo-99 has a 66-hour half-life and degrades into, among other things, Tc-99m, which has a half-life of only six hours. The radiopharmacies or hospitals prepare dosages from the Tc-99m generators for use in SPECT imaging medical procedures.

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In November 2012, the HFR in the Netherlands, one of two primary reactors we utilize, experienced an unscheduled shutdown. We were able to receive increased target irradiations at the two other reactors and purchased additional Mo-99 from other sources to continue meeting customer orders; however, the additional Mo-99 we procured from alternative sources came at a higher than normal cost. The HFR resumed production in June 2013.

In October 2013, the HFR experienced another unscheduled shutdown. In addition, our own Mo-99 processing facility in Petten, the Netherlands also experienced a shutdown. The HFR resumed production of medical isotopes and irradiation of materials in February 2014 and the Mo-99 processing facility resumed production in April 2014. We believe profitability of our Global Medical Imaging segment may improve, primarily in the fourth quarter, once we satisfy the significantly higher cost procurement commitments that we entered into during the shutdowns. Ongoing increased raw material and manufacturing costs will very likely limit our ability to return the Global Medical Imaging segment to historical operating margins.

Sales, Marketing and Customers

Sales and Marketing

We market our branded, generic and CMDS products to physicians, pharmacists, pharmacy buyers, radiologists and radiology technicians. We distribute these products to major drug wholesalers, retail pharmacy chains, hospital networks and governmental agencies. In addition, we contract with GPOs and managed care organizations to improve access to our products. We sell and distribute API directly or through distributors to other pharmaceutical companies. In the U.S., we market and distribute our nuclear imaging products to radiopharmacies which, in turn, supply hospitals and standalone imaging centers with patient-customized doses. Outside the U.S., we market and distribute our nuclear imaging products to hospitals.

We often negotiate with parties that enter into supply contracts for the benefit of their member facilities, including GPOs, integrated delivery networks, large and medium size retail pharmacy chains, nuclear pharmacy chains, wholesalers and, solely outside the U.S., with governments through a tender process.

For further information on our sales and marketing strategies, refer to *Our Businesses and Product Strategies*.

Customers

Net sales to distributors that accounted for more than 10% of our total net sales in fiscal 2013, 2012 and 2011 were as follows:

	Fiscal Year		
	2013	**2012**	**2011**
Cardinal Health, Inc.	18%	19%	19%
McKesson Corporation	15%	14%	13%
Amerisource Bergen Corporation	9%	9%	10%

No other customer accounted for 10% or more of our net sales in the past three fiscal years.

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Manufacturing and Distribution

We presently have ten manufacturing sites, including seven located in the U.S., as well as sites in Canada, Ireland and the Netherlands, which handle production, assembly, quality assurance testing, packaging and sterilization of our products. We estimate that our manufacturing production by region in fiscal 2013 (as measured by cost of production) was as follows:

U.S.	79%
Europe	13%
Canada	8%

We maintain distribution centers in 17 countries. In addition, in certain countries outside the U.S. we utilize third-party distribution centers. Products generally are delivered to these distribution centers from our manufacturing facilities and then subsequently delivered to the customer. In some instances, product, such as nuclear medicine, is delivered directly from our manufacturing facility to the customer. We contract with a wide range of transport providers to deliver our products by road, rail, sea and air.

Backlog

At September 27, 2013, the backlog of firm orders was less than 1% of net sales. We anticipate that substantially all of the backlog as of September 27, 2013 will be shipped during fiscal 2014.

Seasonality

There are no significant seasonal aspects to our business; however, DEA quotas are allocated in each calendar year to companies and may impact our sales until the DEA grants additional quotas, if any. Impacts from quota limitations are most commonly experienced during the third and fourth calendar quarters, which represent our fourth and first fiscal quarters, respectively.

Employees

At September 27, 2013, we had approximately 5,500 employees, approximately 4,100 of which are based in the U.S. Certain of these employees are represented by unions or work councils. We believe that we generally have a good relationship with our employees, and with the unions and work councils that represent certain employees.

Properties

Our offices in the U.S. are located in a facility in Hazelwood, Missouri, which we own. As of September 27, 2013, we owned a total of 12 facilities in four countries. Our owned facilities consist of approximately 2.9 million square feet, and our leased facilities consist of approximately 0.6 million square feet. We presently have ten manufacturing sites, six of which are used by our Global Medical Imaging segment, three of which are used by our Specialty Pharmaceuticals segment and one of which is shared by both segments. We have a manufacturing site in each of Canada, Ireland and the Netherlands and seven manufacturing sites in the U.S. We believe all of these facilities are well-maintained and suitable for the operations conducted in them.

Legal Proceedings

We are subject to various legal proceedings and claims, including patent infringement claims, product liability matters, environmental matters, employment disputes, contractual disputes and other commercial disputes, including those described below. We believe that these legal proceedings and claims likely will be resolved over an extended period of time. Although it is not feasible to predict the outcome of these matters, we believe, given the information available as of March 28, 2014, that their ultimate resolution will not have a material adverse effect on our financial condition, results of operations and cash flows.

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Governmental Proceedings

On November 30, 2011 and October 22, 2012, we received subpoenas from the United States Drug Enforcement Administration requesting production of documents relating to our suspicious order monitoring programs. We are complying as required by the terms of the subpoenas. While it is not possible at this time to determine with certainty the outcome of these proceedings, we believe, given the information available as of March 28, 2014, that the ultimate resolution will not have a material adverse effect on our financial condition, results of operations and cash flows.

Patent/Antitrust Litigation

Tyco Healthcare Group LP, et al. v. Mutual Pharmaceutical Company, Inc. We filed a patent infringement suit in the U.S. District Court for the District of New Jersey against Mutual Pharmaceutical Co., Inc., et al. (collectively, Mutual) on March 20, 2007 pursuant to procedures set out in the Drug Price Competition and Patent Term Restoration Act of 1984, after Mutual submitted an ANDA to the FDA seeking to sell a generic version of our 7.5 mg Restoril sleep aid product. Mutual also filed antitrust and unfair competition counterclaims. The patents at issue have since expired or been found invalid. On January 18, 2013, the trial court issued an opinion and order granting our motion for summary judgment regarding Mutual s antitrust and unfair competition counterclaims. On May 1, 2013, Mutual appealed this decision to the U.S. Court of Appeals for the Federal Circuit and oral arguments were heard on February 6, 2014. While it is not possible at this time to determine with certainty the ultimate outcome of the counterclaims, we believe, given the information available as of March 28, 2014, that the ultimate resolution of the claims will not have a material adverse effect on our financial condition, results of operations and cash flows.

222 and 218 Patent Litigation: Exela Pharma Sciences, LLC and Perrigo Company. In August 2011, Cadence, now a subsidiary of Mallinckrodt, and Pharmatop, the owner of the two U.S. patents and two Canadian patents licensed exclusively by Cadence, filed suit in the U.S. District Court for the District of Delaware against Exela and Perrigo. In the lawsuit, Cadence alleged that Exela and Perrigo infringed the 222 patent and the 218 patent by filing their ANDAs seeking approval from the FDA to market a generic version of OFIRMEV prior to the expiration of these patents. The 222 and 218 patents are listed in the FDA s Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. The patent infringement lawsuit was filed within 45 days of receipt of the pertinent notice letter, thereby triggering a stay of FDA approval of the Exela and Perrigo ANDAs until the earlier of the expiration of a 30-month period, the expiration of the 222 and 218 patents, the entry of a settlement order or consent decree stating that the 222 and 218 patents are invalid or not infringed, a decision in the case concerning infringement or validity that is favorable to Exela, or such shorter or longer period as the court may order. Exela filed an answer in the case that asserted, among other things, non-infringement and invalidity of the asserted patents, as well as certain counterclaims.

In November 2012, Cadence entered into a settlement agreement and a license agreement with Perrigo to settle similar litigation. The settlement agreement includes a stipulation by the parties requesting dismissal with prejudice of the lawsuit filed by Cadence relating to the ANDA filed by Perrigo. Under the terms of the license agreement, Cadence granted to the holder of the Perrigo ANDA and its affiliates the non-exclusive right to market a generic intravenous acetaminophen product in the U.S. under the Perrigo ANDA beginning December 6, 2020, or earlier under certain circumstances. The license agreement also provides that Perrigo has been granted the exclusive right of first refusal to negotiate an agreement with Cadence to market an authorized generic version of OFIRMEV (i.e., a generic version marketed under Cadence s NDA) in the U.S., in the event that Cadence elects to launch an authorized generic version of the product.

A bench trial for the lawsuit with Exela was held and the court ruled in favor of Cadence in November 2013 and found Exela s ANDA for a generic version of OFIRMEV infringed the 222 and 218 patents. An appeal of the decision

in favor of Cadence was filed by Exela on December 20, 2013. While it is not possible at this time to

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determine with certainty the ultimate outcome of the case, an adverse outcome could result in the launch of one or more generic versions of OFIRMEV before the expiration of the last of the listed patents in June 2021 (or December 2021 if pediatric exclusivity is granted), could adversely affect our ability to successfully maximize the value of OFIRMEV and have an adverse effect on our financial condition, results of operations and cash flows.

222 and 218 Patent Litigation: Fresenius Kabi USA, LLC, Sandoz, Inc. and Wockhardt USA LLC. In January 2013 and February 2013, respectively, Cadence filed suits in the U.S. District Court for the Southern District of California against Fresenius and Sandoz, following receipt of December 2012 notices from each company concerning their submissions of an NDA and an ANDA containing Paragraph IV patent certifications with the FDA for generic versions of OFIRMEV. In October 2013, Cadence filed a motion to amend its complaint against Sandoz to join the Sandoz Parties to the lawsuit against Sandoz due to the involvement of each of these companies with the preparation of the Sandoz ANDA and related matters.

In the lawsuits against Fresenius and the Sandoz Parties, which were consolidated for purposes of discovery and other pretrial proceedings in the Southern District of California, Cadence alleged that Fresenius and the Sandoz Parties each infringed the 222 and 218 patents by filing an NDA, in the case of Fresenius, or an ANDA, in the case of the Sandoz Parties, seeking approval from the FDA to market a generic or competing NDA versions of OFIRMEV prior to the expiration of these patents. Both Fresenius and the Sandoz Parties filed answers in the Southern District of California asserting, among other things, non-infringement and invalidity of the asserted patents, as well as certain counterclaims. Both the Fresenius and Sandoz lawsuits were filed within 45 days of receipt of the respective notice letters, thereby triggering a stay of FDA approval of the Fresenius NDA and the Sandoz ANDA until the earlier of the expiration of a 30-month period, the expiration of the 222 and 218 patents, the entry of a settlement order or consent decree stating that the 222 and 218 patents are invalid or not infringed, a decision in the case concerning infringement or validity that is favorable to Fresenius and/or the Sandoz Parties, or such shorter or longer period as the court may order.

In January 2014, Cadence entered into a settlement agreement and a binding term sheet for a license agreement with the Sandoz Parties. The settlement agreement includes a stipulation by the parties requesting dismissal with prejudice of the lawsuit filed by the Co