Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2010** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
FERRING PHARMACEUTICALS INC DEFINED CONTRIBUTION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 03/01/2009

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
FERRING PHARMACEUTICALS INC

4 GATEHALL DR STE 3
PARSIPPANY, NJ 07054-4522

2b Employer Identification Number (EIN) 54-1179881

2c Sponsor's telephone number 973-796-1637

2d Business code (see instructions) 325410

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	LALIT AHLUWALIA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	LALIT AHLUWALIA
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
FERRING PHARMACEUTICALS INC

4 GATEHALL DR STE 3
PARSIPPANY, NJ 07054-4522

3b Administrator's EIN
54-1179881

3c Administrator's telephone number
973-796-1637

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5 Total number of participants at the beginning of the plan year	**5**	204
6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a Active participants	**6a**	223
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	9
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	232
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	232
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	126
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	31
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)
- **(1)** [X] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)
- **(1)** [X] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules
- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules
- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)	Insurance Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.** ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	**2010** **This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
FERRING PHARMACEUTICALS INC DEFINED CONTRIBUTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500.
FERRING PHARMACEUTICALS INC

D Employer Identification Number (EIN)
54-1179881

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year (f) From	(g) To
42-0127290	61271	613953	232	01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
1718	79

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

J M BRAYBOY
ROSE AND KIERNAN, INC
99 TROY RD
E GREENBUSH, NY 12061-1027

(b) Amount of sales and base commissions paid	Fees and other commissions paid (c) Amount	(d) Purpose	(e) Organization code
1718	79	REFERRAL/SERVICE FEE	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid (c) Amount	(d) Purpose	(e) Organization code

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b	Balance at the end of the previous year		7b	
c	Additions: (1) Contributions deposited during the year	7c(1)	14255	
	(2) Dividends and credits	7c(2)		
	(3) Interest credited during the year	7c(3)	322	
	(4) Transferred from separate account	7c(4)		
	(5) Other (specify below) ▶ OUTSIDE INVESTMENT TRANSFER	7c(5)	2774	
	(6) Total additions		7c(6)	17351
d	Total of balance and additions (add **b** and **c(6)**).		7d	17351
e	Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
	(2) Administration charge made by carrier	7e(2)	40	
	(3) Transferred to separate account	7e(3)		
	(4) Other (specify below) ▶ OUTSIDE INVESTMENT TRANSFER	7e(4)	235	
	(5) Total deductions		7e(5)	275
f	Balance at the end of the current year (subtract **e(5)** from **d**)		7f	17076

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	9a(1)			
(2) Increase (decrease) in amount due but unpaid	9a(2)			
(3) Increase (decrease) in unearned premium reserve	9a(3)			
(4) Earned (**(1)** + **(2)** - **(3)**)			9a(4)	
b Benefit charges (1) Claims paid	9b(1)			
(2) Increase (decrease) in claim reserves	9b(2)			
(3) Incurred claims (add **(1)** and **(2)**)			9b(3)	
(4) Claims charged			9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	9c(1)(A)			
(B) Administrative service or other fees	9c(1)(B)			
(C) Other specific acquisition costs	9c(1)(C)			
(D) Other expenses	9c(1)(D)			
(E) Taxes	9c(1)(E)			
(F) Charges for risks or other contingencies	9c(1)(F)			
(G) Other retention charges	9c(1)(G)			
(H) Total retention			9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			9d(1)	
(2) Claim reserves			9d(2)	
(3) Other reserves			9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			9e	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).	2010
Department of Labor Employee Benefits Security Administration	▶ **File as an attachment to Form 5500.**	**This Form is Open to Public Inspection.**
Pension Benefit Guaranty Corporation		

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
FERRING PHARMACEUTICALS INC DEFINED CONTRIBUTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FERRING PHARMACEUTICALS INC

D Employer Identification Number (EIN)
54-1179881

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
13 50 64	CONTRACT ADMINISTRATOR	5396	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)	Financial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
FERRING PHARMACEUTICALS INC DEFINED CONTRIBUTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FERRING PHARMACEUTICALS INC

D Employer Identification Number (EIN)
54-1179881

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	897452	1193367
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	924922
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	17076
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	897452	2135365
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	897452	2135365

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	1193367	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1193367
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	322	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		322
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	12433	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		12433
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		86733
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		1292855

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	49545	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		49545
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	5397	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		5397
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		54942

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		1237913
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WITHUM SMITH AND BROWN **(2)** EIN: 22-2027092

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

			Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	0
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	0
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	0
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)	Retirement Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
FERRING PHARMACEUTICALS INC DEFINED CONTRIBUTION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FERRING PHARMACEUTICALS INC

D Employer Identification Number (EIN)
54-1179881

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290 _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

FERRING PHARMACEUTICALS INC.
DEFINED CONTRIBUTION PLAN

Financial Statement

December 31, 2010 and 2009

With Independent Auditors' Report

Ferring Pharmaceuticals Inc. Defined Contribution Plan
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December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Trustees and Participants
of Ferring Pharmaceuticals Inc. Defined Contribution Plan:

We were engaged to audit the financial statements of the Ferring Pharmaceuticals Inc. Defined Contribution Plan (the "Plan") as of December 31, 2010 and for the year ended December 31, 2010, and the supplemental schedule as of December 31, 2010, as listed in the accompanying table of contents. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 which was certified by Principal Trust Company ("Principal"), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the trustee of the Plan as of December 31, 2010 and for the year ended December 31, 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the supplemental schedule taken as a whole. The form and content of the information included in the financial statements and the supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America, and in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

We have audited the statements of net assets available for plan benefits of the Plan as of December 31, 2009, and the related statement of changes in net assets available for benefits for the period from March 1, 2009 (Plan inception date) to December 31, 2009, and in our audit report dated December 9, 2010 we expressed our opinion that such financial statements present fairly, in all material respects, the net assets available for plan benefits as of December 31, 2009 and the related statement of changes in net assets available for benefits for the period from March 1, 2009 (Plan inception date) to December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

September 27, 2011

WithumSmith+Brown is a member of HLB International. A world-wide network of independent professional accounting firms and business advisers.

Ferring Pharmaceuticals Inc. Defined Contribution Plan
Statements of Net Assets Available For Benefits
December 31, 2010 and 2009

	2010	2009
Assets		
Investments, at fair value:		
Registered investment companies	$ 924,922	$ -
Common/ collective trust	17,076	-
Total investments, at fair value	941,998	-
Receivables:		
Employer contributions	1,193,367	897,452
	1,193,367	897,452
Net assets available for benefits	$ 2,135,365	$ 897,452

The Notes to Financial Statements are an integral part of these statements.

Ferring Pharmaceuticals Inc. Defined Contribution Plan
Statements of Changes in Net Assets Available For Benefits
For the Year Ended December 31, 2010 and for the Period from March 1, 2009 (Plan Inception Date) to December 31, 2009

	2010	2009
Additions		
Investment results:		
Net appreciation in fair value of investments	$ 78,216	$ -
Dividends	21,272	-
Total investment income	99,488	-
Contributions:		
Employer	1,193,367	897,452
Total contributions		
Total additions	1,292,855	897,452
Deductions		
Benefits paid to participants	49,545	-
Administrative expenses	5,397	-
Total deductions	54,942	-
Increase in net assets	1,237,913	897,452
Net assets available for benefits, beginning of year and inception date, respectively	897,452	-
Net assets available for benefits, end of year	$ 2,135,365	$ 897,452

The Notes to Financial Statements are an integral part of these statements.

1. Description of Plan

General

The Ferring Pharmaceuticals Inc. Defined Contribution Plan (the "Plan") was established on March 1, 2009 for the benefit of employees of Ferring Pharmaceuticals Inc. (the "Company" or the "Plan Sponsor") to share in Company discretionary contributions. There are no participant funded contributions under the terms of this Plan. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering all employees of the Company. Employees become eligible to participate on January 1 or July 1 of a given year, after completion of twelve months of defined service with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Earnings in future periods will accumulate in the Plan with deferral of Federal and state income tax. Principal Trust Company ("Principal" or the "Trustee") is the trustee of Plan assets.

Employer Contributions

The Company may or may not make a discretionary contribution to the Plan each year. Employees are eligible to receive an allocation of this discretionary employer contribution if they were employed by the Company at year-end and have met the same eligibility requirements as discussed above. Shares of discretionary contributions are calculated as a participant's annual pay divided by the total annual pay of all participants getting a share, but not to exceed the maximum amount per Internal Revenue Service limits. The Company has funded discretionary contributions of $1,193,367 and $897,452 for the year ended December 31, 2010 and the initial period ended December 31, 2009, respectively.

Participant Accounts

Each participant's account is credited with the participant's pro rata share of the Company's contribution and an allocation of Plan earnings and expenses. A participant may direct Company contributions into a variety of investment funds offered by the Trustee. Participants direct the investments of their own accounts within such investment funds and may periodically change their investment options.

Vesting

Participant account balances are fully vested after 3 years of defined service. In the event participants leave the Company for any reason and the vested balance is $5,000 or less, they are required to withdraw their vested account balance. Participants become fully vested in balances upon death, disability, and normal or early retirement. The normal benefit under the Plan is a lump sum payment equal to the participant's vested account balance upon retirement or termination. In addition, terminated employees with vested account balances in excess of $5,000 may elect to leave their account balance in the Plan and share in future investment results only.

Forfeitures

If a participant terminates employment with the Company and is less than 100% vested in Company contributions, the participant will forfeit the non-vested portion. Any future amounts forfeited would be used to reduce Company discretionary contributions. Forfeitures applied to the 2010 contribution totaled $64,507. There were no forfeitures in during Plan year 2009.

Benefits Payments

After participants reach age 59-1/2, they may withdraw all or a portion of their vested account balance. Termination withdrawals are a result of termination of employment, retirement, or death.

Distributions are paid directly to an eligible retirement plan specified by the participant (or designated beneficiary) in a lump sum payment. Distributions can also be paid in cash, if so elected.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan adheres to the provisions described in Financial Accounting Standards Board ("FASB") Accounting Standards Codification 946 ("ASC 946"). The provisions clarify the definition of fully benefit-responsive investment contracts for contracts held by defined contribution plans along with the financial statement presentation and disclosure of such contracts. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The fair value of the fully benefit-responsive investment contracts approximates contract value at December 31, 2010.

Investments in registered investment companies at December 31, 2010 are valued at the closing price on the active market on which that individual security is traded. The fair value of the units owned by the Plan in the common collective trust is based on the fair value of the underlying investments as determined by the Trustee. Investment appreciation for each participant-directed investment fund is allocated to each participant in the same ratio that the participant's account balance in the fund bears to the total account balances for all participants in that fund.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Realized gains and losses are recognized on the transaction date, as reported by the Trustees, when units of the commingled funds are sold. The revalued cost method is used in determining the cost of these units. Interest income is recorded on the accrual basis.

Fair Value Measurements

FASB guidance relating to fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value Measurements (continued)

The following is a description of the valuation methodologies used for assets measured at fair value:

Registered investment companies: Valued at the closing price reported on the active market on which the individual securities are traded.

Common/collective trust: Contains fully benefit-responsive investment contracts and is stated at fair value based on the value of the underlying investments. Fair value for traditional investment contracts comprises the expected future cash flows for each contract discounted to present value. Fair value for alternative investment contracts comprises the aggregate market values of the underlying investments in bond trusts, and the value of the wrap contracts, if any.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Payment of Benefits
Benefits are recorded when paid.

Administrative Expenses
Investment-related and recordkeeping expenses are paid from the Plan's assets. The Company pays all other expenses attributable to establishing and maintaining the Plan.

Risks and Uncertainties
The Plan invests in various mutual funds and investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks, and domestic and global market conditions. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the December 31, 2010 Statement of Net Assets Available for Benefits.

Effects of New Accounting Pronouncements
In January 2010, the FASB issued an update on improving disclosures about fair value measurements. This guidance requires: (a) separate disclosure of significant transfers between Level 1 and Level 2 and reasons for the transfers; (b) disclosure, on a gross basis, of purchases, sales, issuances, and net settlements within Level 3; (c) disclosures by class of assets and liabilities; and (d) a description of the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. This guidance is effective for reporting periods beginning after December 15, 2009, except for the Level 3 disclosure requirements, which will be effective for fiscal years beginning after December 15, 2010. The Plan is currently evaluating the standard's impact on its financial statements.

The Plan is not aware of any other new accounting standards that were required to be adopted in 2010, or yet to be adopted, that would impact the Plan's 2010 or prospective financial statements.

3. Investments (unaudited)

Certification

The Company has elected the method of annual compliance reporting permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The assets of the Plan are held by the Trustee. Accordingly, the Trustee has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

a. Participant directed investments in registered investment companies and common collective trusts, as disclosed in the Statement of Net Assets Available for Benefits as of December 31, 2010.

b. Net appreciation in fair value of investments, dividend income and administrative expenses, as disclosed in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2010.

c. Investment balances on the Schedule of Assets (Held at End of Year) - December 31, 2010, as disclosed in the supplemental schedule.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements.

The following presents investments that represent 5% or more of the Plan's net assets at December 31, 2010:

Principal Global Investors Lifetime 2030 Fund	$ 211,633
Principal Management Corp. Lifetime 2035 Fund	$ 174,676

During 2010, the Plan's investments, including gains on investments bought and sold, as well as held during the year, appreciated (depreciated) in value as follows:

Principal Global Investors Lifetime Strategy Income Fund	$ 22
Principal Global Investors Lifetime 2050 Fund	873
Principal Global Investors Lifetime 2040 Fund	9,114
Principal Global Investors Lifetime 2030 Fund	19,755
Principal Global Investors Lifetime 2020 Fund	5,911
Principal Global Investors Lifetime 2010 Fund	3,233
Principal Management Corp Lifetime 2015 Fund	6,001
Principal Management Corp Lifetime 2055 Fund	41
Principal Management Corp Lifetime 2045 Fund	7,289
Principal Management Corp Lifetime 2035 Fund	14,257
Principal Management Corp Lifetime 2025 Fund	5,379
Franklin High Income Fund	146
Pimco Total Return Fund	(1,296)
Principal Global Investors Real Estate Securities Fund	588
Fidelity Small Cap Fund	131
Prudential 20/20 Focus Fund	374
MFS Investment Management Global Equity Fund	260
Principal Global Investors S&P 400 Index Fund	839
Principal Global Investors S&P 500 Index Fund	2,086
Principal Global Investors International Emerging Markets Fund	458
Principal Global Investors Diversified International Fund	282
Principal Global Investors Small Cap Value Fund	156
Principal Global Investors S&P 600 Index Fund	934
Alliance Capital Management Small Cap Growth Fund	279
Turner Investment Partners Mid Cap Growth Fund	201
T. Rowe Price large Cap Blend Fund	287
Goldman Sachs Asset Management Mid Cap Value Fund	294
Principal Fixed Income Guaranteed Option	322
Net appreciation	$ 78,216

The net investment income for the year ended December 31, 2010 also includes $21,272 of dividend income.

4. Distributions upon Termination of the Plan

While the Company intends to continue the Plan, it reserves the right to change or terminate the Plan at any time. In the event the Plan should terminate, the Company will facilitate the distribution of account balances under the provisions of the Plan and Trust Agreement until all assets have been distributed by the Trustee. Upon completion of such distributions, the Trust will terminate, the Trustee will be relieved of all liability under the Trust Agreement, and no participant or other person will have claims thereunder, except as required by applicable law.

5. Income Tax Status

The Plan is intended to be qualified under Section 401(a) of the Internal Revenue Code (the "Code") and is intended to be exempt from taxation under 501(a) of the Code. The Company adopted a non-standardized prototype plan which received an Internal Revenue Service ("IRS") opinion letter dated September 16, 2003. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Authoritative guidance requires the Company and Plan to evaluate tax positions taken by the Plan and recognize a related tax liability (or asset) if the program has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions and has concluded that as of December 31, 2010 and 2009, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2007. In addition, there have been no tax related interest or penalties for periods presented in these financial statements.

6. Parties-in-interest

Certain Plan investments are shares of a mutual fund and investment contracts managed by Principal. Principal is the trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

7. Fair Value Measurements

The following tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value by class of asset as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Registered investment companies				
Target Date Series Funds	$ 814,496	$ -	$ -	$ 814,496
Mutual funds – Fixed Income	50,827	-	-	50,827
Mutual funds - Equity	59,599	-	-	59,599
Total registered investment companies	924,922	-	-	924,922
Common/collective trust	-	17,076	-	17,076
Total investments at fair value	$ 924,922	$ 17,076	$ -	$ 941,998

8. Investment Contract with Trust Company

The Plan has had an investment contract with Principal.

Principal maintains the contributions in a common collective trust. The account is credited with actual earnings on the underlying investments and charged for participant withdrawals and Principal's administrative expenses. The contract, Principal Fixed Income Guaranteed Option, is included in the December 31, 2010 statement of net assets available for benefits. The adjustments from fair value to contract value for the investment contract are not material.

The average yield and crediting interest rates were approximately 2.5% at December 31, 2010. The crediting interest rate is based on an agreed-upon formula with the issuer, but cannot be less than zero. Such interest rates are reviewed on a semi-annual basis for resetting. If the expected average life of an investment shortens or extends, the crediting rate on the contract is normally reset to reflect the investments' net yield to maturity. Future crediting rates are affected by a number of economic and credit factors.

Certain events, such as the premature termination of the contract by the Plan or the termination of the Plan, would limit the Plan's ability to transact at contract value with Principal. The Company believes the occurrence of such events that would also limit the Plan's ability to transact at contract value with Plan participants is remote.

9. Subsequent Events

The Plan has evaluated subsequent events occurring after the date of the Statement of Net Assets Available for Benefits through the date of September 27, 2011, which is the date the financial statements were available to be issued. Based upon this evaluation, the Plan has determined that no subsequent events have occurred which require adjustments to or disclosure in the financial statements.

SUPPLEMENTAL SCHEDULE

Ferring Pharmaceuticals Inc. Defined Contribution Plan
Schedule H, Line 4 (i) - Schedule of Assets (Held at Year End)
EIN: 54-1179881, Plan# 002
December 31, 2010

(a)*	(b) Identity of Issuer, Borrower Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost **	(e) Current Value
*	Principal Global Investors Lifetime Strategy Income Fund	Registered Investment Company		$ 450
*	Principal Global Investors Lifetime 2050 Fund	Registered Investment Company		8,477
*	Principal Global Investors Lifetime 2040 Fund	Registered Investment Company		89,055
*	Principal Global Investors Lifetime 2030 Fund	Registered Investment Company		211,633
*	Principal Global Investors Lifetime 2020 Fund	Registered Investment Company		58,433
*	Principal Global Investors Lifetime 2010 Fund	Registered Investment Company		34,089
*	Principal Management Corp Lifetime 2015 Fund	Registered Investment Company		78,966
*	Principal Management Corp Lifetime 2055 Fund	Registered Investment Company		468
*	Principal Management Corp Lifetime 2045 Fund	Registered Investment Company		85,787
*	Principal Management Corp Lifetime 2035 Fund	Registered Investment Company		174,676
*	Principal Management Corp Lifetime 2025 Fund	Registered Investment Company		72,462
	Franklin High Income Fund	Registered Investment Company		4,324
	Pimco Total Return Fund	Registered Investment Company		38,897
*	Principal Global Investors Real Estate Securities Fund	Registered Investment Company		7,606
	Fidelity Small Cap Fund	Registered Investment Company		1,367
	Prudential 20/20 Focus Fund	Registered Investment Company		6,234
	MFS Investment Management Global Equity Fund	Registered Investment Company		2,559
*	Principal Global Investors S&P 400 Index Fund	Registered Investment Company		6,331
*	Principal Global Investors S&P 500 Index Fund	Registered Investment Company		21,635
*	Principal Global Investors International Emerging Markets Fund	Registered Investment Company		3,884
*	Principal Global Investors Diversified International Fund	Registered Investment Company		2,441
*	Principal Global Investors Small Cap Value Fund	Registered Investment Company		1,357
*	Principal Global Investors S&P 600 Index Fund	Registered Investment Company		5,855
	Alliance Capital Management Small Cap Growth Fund	Registered Investment Company		1,360
	Turner Investment Partners Mid Cap Growth Fund	Registered Investment Company		1,195
	T. Rowe Price large Cap Blend Fund	Registered Investment Company		3,189
	Goldman Sachs Asset Management Mid Cap Value Fund	Registered Investment Company		2,192
	Total Registered Investment Companies			924,922
*	Principal Fixed Income Guaranteed Option	Common/Collective Trust		17,076
	Total Investments, at fair value			$ 941,998

* Represents an investment fund of the Trustee, a party-in-interest.

See Independent Auditors' Report.

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FERRING PHARMACEUTICALS INC DEFINED
CONTRIBUTION PLAN
EIN 54 1179881
PLAN NUMBER 002
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Fidelity Investments	Registered Investment Company FIDELITY ADV SMALL CAP T FUND	$ 0.00	$ 1,367.03
	Franklin Templeton Investments	Registered Investment Company FRANKLIN HIGH INCOME R FUND	$ 0.00	$ 4,324.20
	MFS Investment Management	Registered Investment Company MFS GLOBAL EQUITY R2 FUND	$ 0.00	$ 2,558.73
	PIMCO Funds	Registered Investment Company PIMCO TOTAL RETURN R FUND	$ 0.00	$ 38,896.78
*	Principal Life Insurance Company	Insurance Company General PRIN FIXED INC GUAR OPTION	$ 0.00	$ 17,075.83
*	Princor Financial Services	Registered Investment Company PRIN INTL EMERG MKTS R3 FUND	$ 0.00	$ 3,883.79
*	Princor Financial Services	Registered Investment Company PRIN LARGECAP BLEND II R3 FUND	$ 0.00	$ 3,188.68
*	Princor Financial Services	Registered Investment Company PRIN LGCAP S&P 500 IDX R3 FUND	$ 0.00	$ 21,635.06
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME STR INC R3 FUND	$ 0.00	$ 449.72
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2010 R3 FUND	$ 0.00	$ 34,088.80
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2015 R3 FUND	$ 0.00	$ 78,966.06
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2020 R3 FUND	$ 0.00	$ 58,432.61
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2025 R3 FUND	$ 0.00	$ 72,461.93
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2030 R3 FUND	$ 0.00	$ 211,633.12
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2035 R3 FUND	$ 0.00	$ 174,675.76

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FERRING PHARMACEUTICALS INC DEFINED
CONTRIBUTION PLAN
EIN 54 1179881
PLAN NUMBER 002
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2040 R3 FUND	$ 0.00	$ 89,054.65
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2045 R3 FUND	$ 0.00	$ 85,786.90
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2050 R3 FUND	$ 0.00	$ 8,477.02
*	Princor Financial Services	Registered Investment Company PRIN LIFETIME 2055 R3 FUND	$ 0.00	$ 467.95
*	Princor Financial Services	Registered Investment Company PRIN MIDCAP GROWTH III R3 FUND	$ 0.00	$ 1,194.87
*	Princor Financial Services	Registered Investment Company PRIN MIDCAP S&P 400 IDX R3 FD	$ 0.00	$ 6,331.46
*	Princor Financial Services	Registered Investment Company PRIN MIDCAP VALUE I R3 FUND	$ 0.00	$ 2,192.33
*	Princor Financial Services	Registered Investment Company PRIN REAL ESTATE SECS R3 FUND	$ 0.00	$ 7,606.25
*	Princor Financial Services	Registered Investment Company PRIN SMALLCAP GROWTH I R3 FUND	$ 0.00	$ 1,360.21
*	Princor Financial Services	Registered Investment Company PRIN SMALLCAP VALUE R3 FUND	$ 0.00	$ 1,357.35
*	Princor Financial Services	Registered Investment Company PRIN SMCAP S&P 600 IDX R3 FUND	$ 0.00	$ 5,855.62
*	Princor Financial Services	Registered Investment Company PRINCIPAL DIV INTL R3 FUND	$ 0.00	$ 2,441.32
	Jennison Dryden	Registered Investment Company PRUD JENN 20/20 FOCUS R FUND	$ 0.00	$ 6,234.22