

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 This Form is Open to Public Inspection
---	--	---

Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ 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:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ▶</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan <u>01/01/1997</u></td> <td></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1997</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1997</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>FERRING PHARMACEUTICAL INC.</u> <u>100 INTERPACE PARKWAY</u> <u>PARSIPPANY, NJ 07054</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN) <u>54-1179881</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>973-796-1600</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>424210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>54-1179881</u>	2c Plan Sponsor's telephone number <u>973-796-1600</u>	2d Business code (see instructions) <u>424210</u>	
2b Employer Identification Number (EIN) <u>54-1179881</u>					
2c Plan Sponsor's telephone number <u>973-796-1600</u>					
2d Business code (see instructions) <u>424210</u>					

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2015</u>	<u>LALIT AHLUWALIA</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
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	5 698
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 584
a(2) Total number of active participants at the end of the plan year	6a(2) 637
b Retired or separated participants receiving benefits	6b
c Other retired or separated participants entitled to future benefits.....	6c 139
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 776
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 1
f Total. Add lines 6d and 6e	6f 777
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 726
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 49
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 Characteristics Codes in the instructions: 2F 2G 2J 2K 2T 3D 3H 2E	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information 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.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FERRING PHARMACEUTICAL INC.</u>	D Employer Identification Number (EIN) <u>54-1179881</u>

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)..... ☒ 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
FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

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

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

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

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

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

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

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

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

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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	5150	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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)

(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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
INVS DIVRS DIVD R5 - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
JANUS TRITON T - JANUS SERVICES LL 43-1804048	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
SENTINEL COM STK I - BOSTON FINANC P.O. BOX 8480 BOSTON, MA 02266	0.10%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
VIRTUS REAL ESTATE I - VIRTUS FUND 4400 COMPUTER DR. WESTBOROUGH, MA 01581	0.35%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
WFA EMRG MKTS EQ I - BOSTON FINANC P.O. BOX 8480 BOSTON, MA 02266	0.15%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
WFA GOVT SECS ADM - BOSTON FINANC P.O. BOX 8480 BOSTON, MA 02266	0.35%	

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

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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information 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.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FERRING PHARMACEUTICAL INC.</u>		D Employer Identification Number (EIN) <u>54-1179881</u>

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(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)	2517482	3127496
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	401368	509212
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	44857892	55404953
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	47776742	59041661

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	47776742	59041661
---	-----------	----------	----------

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)	4006971	
(B) Participants	2a(1)(B)	5923522	
(C) Others (including rollovers)	2a(1)(C)	2011260	
(2) Noncash contributions	2a(2)	0	11941753
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	302	
(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)	19689	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		19991
(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)	3338434	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3338434
(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
(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

		(a) Amount	(b) Total
(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)		146816
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		15446994

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4176518	
(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)		4176518
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	5557	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5557
j Total expenses. Add all expense amounts in column (b) and enter total	2j		4182075

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		11264919
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		

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: MCGLADREY LLP

(2) EIN: 42-0714325

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- 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.)
- 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.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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.)		X	
4c			
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.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		3000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
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?.....		X	
4g			
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?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
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.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
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.		X	
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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information 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.		OMB No. 1210-0110 2014 This Form is Open to Public Inspection.	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
A Name of plan FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 FERRING PHARMACEUTICAL 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	
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): 04-6568107					
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 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 (include any prior year accumulated funding deficiency not waived).....				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 or other authority 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. 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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2014 v. 140124					

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Financial Report
December 31, 2014

Contents

Independent Auditor's Report	1-2
Financial Statements	
Statements of net assets available for benefits	3
Statement of changes in net assets available for benefits	4
Notes to financial statements	5-12
Supplementary Information	
Schedule H, line 4(i) – schedule of assets (held at end of year)	13



Independent Auditor's Report

To the Trustees and Participants
Ferring Pharmaceuticals Inc. 401(k) Savings Plan
Parsippany, New Jersey

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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, 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 or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, line 4(i) – schedule of assets (held at end of year) as of December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided 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 the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "McGladrey LLP".

Blue Bell, Pennsylvania
September 24, 2015

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Statements of Net Assets Available for Benefits
December 31, 2014 and 2013**

	2014	2013
Assets		
Investments, at Fair Value		
Registered Investment Companies	\$ 58,532,449	\$ 47,375,374
Total investments, at fair value	58,532,449	47,375,374
Receivables		
Notes receivable from participants	509,212	401,368
Employer matching contributions	190,900	149,750
Employer profit sharing contribution	2,110,847	1,956,035
Total receivables	2,810,959	2,507,153
Net assets available for benefits	\$ 61,343,408	\$ 49,882,527

See Notes to Financial Statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2014**

Additions	
Investment Income	
Net appreciation in fair value of investments	\$ 146,816
Dividends	3,338,736
Total investment income	<u>3,485,552</u>
Interest on participants' notes receivable	<u>19,689</u>
Contributions	
Participants	5,923,522
Employer matching	2,092,086
Employer profit sharing	2,110,847
Rollover	2,011,260
Total contributions	<u>12,137,715</u>
Total additions	<u>15,642,956</u>
Deductions	
Distributions to Participants	4,176,518
Administrative Expenses	5,557
Total deductions	<u>4,182,075</u>
Increase in net assets available for benefits	11,460,881
Net Assets Available for Benefits	
Beginning	<u>49,882,527</u>
Ending	<u>\$ 61,343,408</u>

See Notes to Financial Statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan

General: The Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan) was established in 1997 to encourage and assist employees of Ferring Pharmaceuticals Inc. (the Company or the Plan Sponsor) to save for the future on a regular basis and to help provide additional investment assets for their retirement. 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 who are at least 18 years of age, excluding interns except as required under Internal Revenue Service (IRS) regulations. There are no minimum service requirements. Newly hired employees are automatically enrolled in the Plan, deferring three percent of eligible wages. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Earnings accumulate in the Plan with deferral of Federal and state income tax. Plan participants are permitted to borrow against their account in accordance with specific rules and regulations. Fidelity Management Trust Company (Fidelity or the Trustee) is the Trustee of Plan assets. The Ferring Pharmaceuticals Retirement Plan Committee is responsible for oversight of the Plan. The Ferring Pharmaceuticals Retirement Plan Committee, under guidance of an independent investment advisor, determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Plan amendments: The Plan was amended in February 2014 to establish an auto-enrollment feature whereby all eligible employees will be enrolled in the plan at a 3% deferral rate, unless they affirmatively elect otherwise. The Plan was also amended in April 2014 to prohibit interns from participation.

Participant contributions: Employee basic contributions are based on specified percentages of gross pay. The maximum percentage contributed under this provision of the Plan is 60% of annual compensation, as defined in the Plan. Tax deferred contributions were limited to a maximum of \$17,500 for 2014. Certain participants (age 50 or older) can make an additional catch-up contribution of \$5,500 for 2014.

Employer contributions: On a discretionary basis, the Company matches 65% of the first 6% of eligible compensation that a participant contributes to the Plan. Additionally, the Company, at its discretion, may make other contributions on behalf of its eligible employees. Employees are eligible to receive an allocation of this discretionary Company contribution if they have completed one year of service as of January 1 or July 1 and were employed at year-end.

Discretionary contributions: The Company may make a discretionary contribution to the Plan each year in an amount equal to a percentage of annual compensation for the Plan year for persons who met the eligibility requirements discussed above. The allocation of the contribution to each employee is based on when the employee was hired. Any employee hired prior to January 1, 2011 receives 6.25%, employees hired on or after January 1, 2011 receive 3% and employees of an adopting employer that adopted the Plan on or after January 1, 2011 receive 3%. The contribution is not to exceed the maximum amount per Internal Revenue Service limits.

Notes receivable from participants: Employees are allowed to borrow from their contributions and vested Company contributions (collectively the Accrued Benefit). Notes receivable are secured by the participant's account. The notes receivable balance outstanding cannot exceed the lesser of: (i) 50% of the employee's vested account, or (ii) a maximum of \$50,000. Interest rates range from 4.25% to 8.75% and loans mature at various dates through September 2024. Principal and interest are paid ratably through periodic payroll deductions.

Investment options: Upon enrollment in the Plan, a participant may direct all contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options daily.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Vesting and payment of benefits: Participant's interests in their own contributions are fully vested at all times. Participants hired on or after January 1, 2009 are fully vested in nonelective employer contributions and matching employer contributions after three years of service. Participants hired prior to January 1, 2009, are fully vested in nonelective employer contributions and matching employer contributions. Participants hired by Ferring Research Institute Inc. prior to January 1, 2011 are vested in discretionary employer match after one year of service. A year of service is defined as at least 1,000 hours worked in a consecutive twelve-month period. In the event participants leave the Company for any reason, they are entitled to receive their vested account balance. Participants become fully vested in balances upon death, disability and retirement. The normal benefit under the Plan is a lump sum payment equal to the participant's vested account balance upon retirement.

Forfeitures: If a participant terminates employment with the Company and is less than 100% vested in the Company contributions, the participant will forfeit the non-vested portion of their Company match and discretionary contributions. A forfeiture will occur in the Plan year that the participant receives a distribution of their vested account. Any amounts forfeited would be used to pay administrative expenses and reduce current Company matching contributions. Forfeited non-vested accounts totaled \$5,551 and \$67,650 at December 31, 2014 and 2013, respectively. During 2014, \$246,066 was used to reduce employer matching contributions and no forfeitures were used to pay administrative expenses.

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.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Ferring Pharmaceuticals Retirement Plan Committee confirms the Plan's valuation policies utilizing information provided by the investment trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and such changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions: Contributions from Plan participants and the matching contribution from the Plan Sponsor are recorded in the year in which the participant contributions are withheld from amounts paid. Employer discretionary contributions are recognized upon authorization as the underlying compensation is recognized. All participant and employer contributions are participant-directed.

Payment of benefits: Benefits are recorded when paid.

Administrative expenses: As provided by the Plan agreement, administrative expenses related to Plan investments and recordkeeping are paid by the Plan and other administrative expenses are paid by the Plan Sponsor. Loan origination fees are charged to the borrower/participant.

Income taxes: GAAP requires Plan management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Plan has taken any uncertain tax positions that more-likely-than-not would not be sustained upon examination by a tax authority. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2011.

Accounting pronouncements pending: In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2015. For all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. Plan management is currently evaluating the impact this update will have on the Plan's financial statements.

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force)*. The purpose of this update is to simplify plan accounting. The amendments in Part I of this update designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit responsive investment contracts will be presented at contract value; accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements. The amendments in Part II of this update will eliminate the requirements for plans to disclose (1) individual investments that represent 5% or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type for both participant-directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. The amendments in Part II of this update will also require that investments (both participant-directed and nonparticipant-directed investments) of employee benefit plans be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, *Annual Return/Report of Employee Benefit Plan*, as a direct filing entity, disclosure of that investment's strategy will no longer be required. The amendments in Part III of this update reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

The update may be adopted in whole or by part (I, II, and III), as applicable. The amendments in this update are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. Upon adoption, the amendments in Parts I and II shall be applied retrospectively to all periods presented; the amendments in Part III shall be applied prospectively. Plan management is currently evaluating the impact this update will have on the Plan's financial statements.

Subsequent events: The Plan has evaluated subsequent events (events occurring after December 31, 2014) through September 24, 2015, the date the financial statements were available to be issued.

Note 3. Information Certified or Provided by Fidelity Management Trust Company

The following is a summary of the Plan's asset information as of December 31, 2014 and 2013, and for the year ended December 31, 2014, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information which appears throughout the financial statements and supplemental schedule related to the following assets:

	2014	2013
Registered investment companies	\$ 58,532,449	\$ 47,375,374
Notes receivable from participants	\$ 509,212	\$ 401,368

Fidelity Management Trust Company also certified to the completeness and accuracy of \$146,816 of net appreciation in fair value of investments and \$3,358,425 of interest and dividends related to the aforementioned plan assets for the year ended December 31, 2014.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements

The framework for measuring fair value 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's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Registered investment companies (mutual funds): Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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 could result in a different fair value measurement at the reporting date.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

Assets at Fair Value as of December 31, 2014				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Money market fund	\$ 3,127,496	\$ -	\$ -	\$ 3,127,496
High yield bond fund	2,094,938	-	-	2,094,938
Large-cap growth fund	12,578,374	-	-	12,578,374
Large-cap blend fund	23,313,384	-	-	23,313,384
Large-cap value fund	2,234,452	-	-	2,234,452
Mid-cap growth fund	5,175,435	-	-	5,175,435
Mid-cap blend fund	644,960	-	-	644,960
Mid-cap value fund	2,849,003	-	-	2,849,003
Small-cap growth fund	598,618	-	-	598,618
Small-cap blend fund	2,019,249	-	-	2,019,249
Small-cap value fund	483,998	-	-	483,998
Intermediate government fund	3,412,542	-	-	3,412,542
Total registered investment companies, at fair value	\$ 58,532,449	\$ -	\$ -	\$ 58,532,449

Assets at Fair Value as of December 31, 2013				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Money market fund	\$ 2,517,482	\$ -	\$ -	\$ 2,517,482
High yield bond fund	1,901,425	-	-	1,901,425
Large-cap growth fund	9,955,161	-	-	9,955,161
Large-cap blend fund	18,875,031	-	-	18,875,031
Large-cap value fund	1,711,906	-	-	1,711,906
Mid-cap growth fund	4,096,485	-	-	4,096,485
Mid-cap blend fund	321,863	-	-	321,863
Mid-cap value fund	2,631,589	-	-	2,631,589
Small-cap growth fund	253,561	-	-	253,561
Small-cap blend fund	1,667,448	-	-	1,667,448
Small-cap value fund	535,037	-	-	535,037
Long term government fund	2,849,844	-	-	2,849,844
Intermediate government fund	58,542	-	-	58,542
Total registered investment companies, at fair value	\$ 47,375,374	\$ -	\$ -	\$ 47,375,374

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2014, there were no significant transfers in or out of Levels 1, 2, or 3.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 5. Investments

The current value of individual investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2014 and 2013 are as follows:

	2014	2013
Fidelity Balanced Fund	\$ 4,267,118	\$ 3,354,384
Fidelity Contrafund	6,476,409	5,191,181
Fidelity Mid Cap Stock Fund	4,795,458	4,096,485
Fidelity Retirement Money Market Fund	3,127,496	2,517,482
Fidelity Total Bond Fund	3,360,610	2,849,844
Fidelity Value Fund	*	2,631,589
Spartan 500 Index Adv Fund	4,378,323	3,436,965
Spartan Global ex U.S. Index Adv Fund	*	3,009,066

* Investment did not comprise 5% or more of the Plan's net assets available for benefits as of the date indicated.

Note 6. Plan Termination

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.

Note 7. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Investments. Fidelity is the Trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

Note 8. Tax Status

The Plan is intended to be qualified under 401(a) of the Internal Revenue Code of 1986 (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 March 31, 2008. 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.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2014	2013
Net assets available for benefits per the financial statements	\$ 61,343,408	\$ 49,882,527
Differences in:		
Investments - participant loans	509,212	401,368
Receivables - notes receivable from participants	(509,212)	(401,368)
Receivables - employer matching contributions receivable	(190,900)	(149,750)
Receivables - employer profit sharing contributions receivable	(2,110,847)	(1,956,035)
Net assets available for benefits per the Form 5500	\$ 59,041,661	\$ 47,776,742

The following is a reconciliation of contributions per the financial statements to the Form 5500:

	2014
Contributions per the financial statements	\$ 12,137,715
Differences in:	
Contributions receivable - December 31, 2013	2,105,785
Contributions receivable - December 31, 2014	(2,301,747)
Contributions per the Form 5500	\$ 11,941,753

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2014

(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
	Registered investment companies			
*	Fidelity Management Trust Co.	Balanced Fund	**	\$ 4,267,118
*	Fidelity Management Trust Co.	Contrafund	**	6,476,409
*	Fidelity Management Trust Co.	Freedom 2005 Fund	**	5,675
*	Fidelity Management Trust Co.	Freedom 2010 Fund	**	99,329
*	Fidelity Management Trust Co.	Freedom 2015 Fund	**	191,477
*	Fidelity Management Trust Co.	Freedom 2020 Fund	**	724,009
*	Fidelity Management Trust Co.	Freedom 2025 Fund	**	2,530,698
*	Fidelity Management Trust Co.	Freedom 2030 Fund	**	2,281,740
*	Fidelity Management Trust Co.	Freedom 2035 Fund	**	2,742,953
*	Fidelity Management Trust Co.	Freedom 2040 Fund	**	2,621,681
*	Fidelity Management Trust Co.	Freedom 2045 Fund	**	2,317,845
*	Fidelity Management Trust Co.	Freedom 2050 Fund	**	813,391
*	Fidelity Management Trust Co.	Freedom 2055 Fund	**	50,640
*	Fidelity Management Trust Co.	Freedom Income	**	35,203
*	Fidelity Management Trust Co.	High Income Fund	**	2,094,938
*	Fidelity Management Trust Co.	Mid Cap Stock Fund	**	4,795,458
*	Fidelity Management Trust Co.	Small Cap Value Fund	**	483,998
*	Fidelity Management Trust Co.	Total Bond Fund	**	3,360,610
*	Fidelity Management Trust Co.	Value Fund	**	2,849,002
*	Fidelity Management Trust Co.	Worldwide Fund	**	1,834,847
	Invesco	Diversified Dividend Fund	**	2,234,452
	Janus	Triton Fund Class T Fund	**	598,618
	Sentinel	Common Stock Fund Class I Fund	**	1,478,075
	Spartan	500 Index Adv Fund	**	4,378,323
	Spartan	Global ex U.S. Index Adv Fund	**	2,852,817
	Spartan	Mid Cap Index Adv Fund	**	644,960
	Spartan	Small Cap Index Adv Fund	**	2,019,249
	Virtus	Real Estate Securities Fund Class I Fund	**	379,977
	Wells Fargo	Emerging Markets Equity Fund	**	189,527
	Wells Fargo	Government Securities Fund	**	51,934
	Interest-bearing cash			
*	Fidelity Management Trust Co.	Retirement Money Market Fund	**	3,127,496
*	Participant loans	4.25% to 8.75% maturing through 2024		509,212
				<u>\$ 59,041,661</u>

* Designates party-in-interest.

** All investments are participant directed; therefore, cost information has not been presented.

The above information has been certified by Fidelity Management Trust Company, the Trustee, to be complete and accurate.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Financial Report
December 31, 2014

Contents

Independent Auditor's Report	1-2
Financial Statements	
Statements of net assets available for benefits	3
Statement of changes in net assets available for benefits	4
Notes to financial statements	5-12
Supplementary Information	
Schedule H, line 4(i) – schedule of assets (held at end of year)	13



Independent Auditor's Report

To the Trustees and Participants
Ferring Pharmaceuticals Inc. 401(k) Savings Plan
Parsippany, New Jersey

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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, 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 or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, line 4(i) – schedule of assets (held at end of year) as of December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided 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 the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "McGladrey LLP".

Blue Bell, Pennsylvania
September 24, 2015

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Statements of Net Assets Available for Benefits
December 31, 2014 and 2013**

	2014	2013
Assets		
Investments, at Fair Value		
Registered Investment Companies	\$ 58,532,449	\$ 47,375,374
Total investments, at fair value	58,532,449	47,375,374
Receivables		
Notes receivable from participants	509,212	401,368
Employer matching contributions	190,900	149,750
Employer profit sharing contribution	2,110,847	1,956,035
Total receivables	2,810,959	2,507,153
Net assets available for benefits	\$ 61,343,408	\$ 49,882,527

See Notes to Financial Statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2014**

Additions	
Investment Income	
Net appreciation in fair value of investments	\$ 146,816
Dividends	3,338,736
Total investment income	<u>3,485,552</u>
Interest on participants' notes receivable	<u>19,689</u>
Contributions	
Participants	5,923,522
Employer matching	2,092,086
Employer profit sharing	2,110,847
Rollover	2,011,260
Total contributions	<u>12,137,715</u>
Total additions	<u>15,642,956</u>
Deductions	
Distributions to Participants	4,176,518
Administrative Expenses	5,557
Total deductions	<u>4,182,075</u>
Increase in net assets available for benefits	11,460,881
Net Assets Available for Benefits	
Beginning	<u>49,882,527</u>
Ending	<u>\$ 61,343,408</u>

See Notes to Financial Statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan

General: The Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan) was established in 1997 to encourage and assist employees of Ferring Pharmaceuticals Inc. (the Company or the Plan Sponsor) to save for the future on a regular basis and to help provide additional investment assets for their retirement. 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 who are at least 18 years of age, excluding interns except as required under Internal Revenue Service (IRS) regulations. There are no minimum service requirements. Newly hired employees are automatically enrolled in the Plan, deferring three percent of eligible wages. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Earnings accumulate in the Plan with deferral of Federal and state income tax. Plan participants are permitted to borrow against their account in accordance with specific rules and regulations. Fidelity Management Trust Company (Fidelity or the Trustee) is the Trustee of Plan assets. The Ferring Pharmaceuticals Retirement Plan Committee is responsible for oversight of the Plan. The Ferring Pharmaceuticals Retirement Plan Committee, under guidance of an independent investment advisor, determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Plan amendments: The Plan was amended in February 2014 to establish an auto-enrollment feature whereby all eligible employees will be enrolled in the plan at a 3% deferral rate, unless they affirmatively elect otherwise. The Plan was also amended in April 2014 to prohibit interns from participation.

Participant contributions: Employee basic contributions are based on specified percentages of gross pay. The maximum percentage contributed under this provision of the Plan is 60% of annual compensation, as defined in the Plan. Tax deferred contributions were limited to a maximum of \$17,500 for 2014. Certain participants (age 50 or older) can make an additional catch-up contribution of \$5,500 for 2014.

Employer contributions: On a discretionary basis, the Company matches 65% of the first 6% of eligible compensation that a participant contributes to the Plan. Additionally, the Company, at its discretion, may make other contributions on behalf of its eligible employees. Employees are eligible to receive an allocation of this discretionary Company contribution if they have completed one year of service as of January 1 or July 1 and were employed at year-end.

Discretionary contributions: The Company may make a discretionary contribution to the Plan each year in an amount equal to a percentage of annual compensation for the Plan year for persons who met the eligibility requirements discussed above. The allocation of the contribution to each employee is based on when the employee was hired. Any employee hired prior to January 1, 2011 receives 6.25%, employees hired on or after January 1, 2011 receive 3% and employees of an adopting employer that adopted the Plan on or after January 1, 2011 receive 3%. The contribution is not to exceed the maximum amount per Internal Revenue Service limits.

Notes receivable from participants: Employees are allowed to borrow from their contributions and vested Company contributions (collectively the Accrued Benefit). Notes receivable are secured by the participant's account. The notes receivable balance outstanding cannot exceed the lesser of: (i) 50% of the employee's vested account, or (ii) a maximum of \$50,000. Interest rates range from 4.25% to 8.75% and loans mature at various dates through September 2024. Principal and interest are paid ratably through periodic payroll deductions.

Investment options: Upon enrollment in the Plan, a participant may direct all contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options daily.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Vesting and payment of benefits: Participant's interests in their own contributions are fully vested at all times. Participants hired on or after January 1, 2009 are fully vested in nonelective employer contributions and matching employer contributions after three years of service. Participants hired prior to January 1, 2009, are fully vested in nonelective employer contributions and matching employer contributions. Participants hired by Ferring Research Institute Inc. prior to January 1, 2011 are vested in discretionary employer match after one year of service. A year of service is defined as at least 1,000 hours worked in a consecutive twelve-month period. In the event participants leave the Company for any reason, they are entitled to receive their vested account balance. Participants become fully vested in balances upon death, disability and retirement. The normal benefit under the Plan is a lump sum payment equal to the participant's vested account balance upon retirement.

Forfeitures: If a participant terminates employment with the Company and is less than 100% vested in the Company contributions, the participant will forfeit the non-vested portion of their Company match and discretionary contributions. A forfeiture will occur in the Plan year that the participant receives a distribution of their vested account. Any amounts forfeited would be used to pay administrative expenses and reduce current Company matching contributions. Forfeited non-vested accounts totaled \$5,551 and \$67,650 at December 31, 2014 and 2013, respectively. During 2014, \$246,066 was used to reduce employer matching contributions and no forfeitures were used to pay administrative expenses.

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.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Ferring Pharmaceuticals Retirement Plan Committee confirms the Plan's valuation policies utilizing information provided by the investment trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and such changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions: Contributions from Plan participants and the matching contribution from the Plan Sponsor are recorded in the year in which the participant contributions are withheld from amounts paid. Employer discretionary contributions are recognized upon authorization as the underlying compensation is recognized. All participant and employer contributions are participant-directed.

Payment of benefits: Benefits are recorded when paid.

Administrative expenses: As provided by the Plan agreement, administrative expenses related to Plan investments and recordkeeping are paid by the Plan and other administrative expenses are paid by the Plan Sponsor. Loan origination fees are charged to the borrower/participant.

Income taxes: GAAP requires Plan management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Plan has taken any uncertain tax positions that more-likely-than-not would not be sustained upon examination by a tax authority. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2011.

Accounting pronouncements pending: In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2015. For all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. Plan management is currently evaluating the impact this update will have on the Plan's financial statements.

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force)*. The purpose of this update is to simplify plan accounting. The amendments in Part I of this update designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit responsive investment contracts will be presented at contract value; accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements. The amendments in Part II of this update will eliminate the requirements for plans to disclose (1) individual investments that represent 5% or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type for both participant-directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. The amendments in Part II of this update will also require that investments (both participant-directed and nonparticipant-directed investments) of employee benefit plans be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, *Annual Return/Report of Employee Benefit Plan*, as a direct filing entity, disclosure of that investment's strategy will no longer be required. The amendments in Part III of this update reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

The update may be adopted in whole or by part (I, II, and III), as applicable. The amendments in this update are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. Upon adoption, the amendments in Parts I and II shall be applied retrospectively to all periods presented; the amendments in Part III shall be applied prospectively. Plan management is currently evaluating the impact this update will have on the Plan's financial statements.

Subsequent events: The Plan has evaluated subsequent events (events occurring after December 31, 2014) through September 24, 2015, the date the financial statements were available to be issued.

Note 3. Information Certified or Provided by Fidelity Management Trust Company

The following is a summary of the Plan's asset information as of December 31, 2014 and 2013, and for the year ended December 31, 2014, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information which appears throughout the financial statements and supplemental schedule related to the following assets:

	2014	2013
Registered investment companies	\$ 58,532,449	\$ 47,375,374
Notes receivable from participants	\$ 509,212	\$ 401,368

Fidelity Management Trust Company also certified to the completeness and accuracy of \$146,816 of net appreciation in fair value of investments and \$3,358,425 of interest and dividends related to the aforementioned plan assets for the year ended December 31, 2014.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements

The framework for measuring fair value 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's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Registered investment companies (mutual funds): Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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 could result in a different fair value measurement at the reporting date.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

Assets at Fair Value as of December 31, 2014				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Money market fund	\$ 3,127,496	\$ -	\$ -	\$ 3,127,496
High yield bond fund	2,094,938	-	-	2,094,938
Large-cap growth fund	12,578,374	-	-	12,578,374
Large-cap blend fund	23,313,384	-	-	23,313,384
Large-cap value fund	2,234,452	-	-	2,234,452
Mid-cap growth fund	5,175,435	-	-	5,175,435
Mid-cap blend fund	644,960	-	-	644,960
Mid-cap value fund	2,849,003	-	-	2,849,003
Small-cap growth fund	598,618	-	-	598,618
Small-cap blend fund	2,019,249	-	-	2,019,249
Small-cap value fund	483,998	-	-	483,998
Intermediate government fund	3,412,542	-	-	3,412,542
Total registered investment companies, at fair value	\$ 58,532,449	\$ -	\$ -	\$ 58,532,449

Assets at Fair Value as of December 31, 2013				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Money market fund	\$ 2,517,482	\$ -	\$ -	\$ 2,517,482
High yield bond fund	1,901,425	-	-	1,901,425
Large-cap growth fund	9,955,161	-	-	9,955,161
Large-cap blend fund	18,875,031	-	-	18,875,031
Large-cap value fund	1,711,906	-	-	1,711,906
Mid-cap growth fund	4,096,485	-	-	4,096,485
Mid-cap blend fund	321,863	-	-	321,863
Mid-cap value fund	2,631,589	-	-	2,631,589
Small-cap growth fund	253,561	-	-	253,561
Small-cap blend fund	1,667,448	-	-	1,667,448
Small-cap value fund	535,037	-	-	535,037
Long term government fund	2,849,844	-	-	2,849,844
Intermediate government fund	58,542	-	-	58,542
Total registered investment companies, at fair value	\$ 47,375,374	\$ -	\$ -	\$ 47,375,374

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2014, there were no significant transfers in or out of Levels 1, 2, or 3.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 5. Investments

The current value of individual investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2014 and 2013 are as follows:

	2014	2013
Fidelity Balanced Fund	\$ 4,267,118	\$ 3,354,384
Fidelity Contrafund	6,476,409	5,191,181
Fidelity Mid Cap Stock Fund	4,795,458	4,096,485
Fidelity Retirement Money Market Fund	3,127,496	2,517,482
Fidelity Total Bond Fund	3,360,610	2,849,844
Fidelity Value Fund	*	2,631,589
Spartan 500 Index Adv Fund	4,378,323	3,436,965
Spartan Global ex U.S. Index Adv Fund	*	3,009,066

* Investment did not comprise 5% or more of the Plan's net assets available for benefits as of the date indicated.

Note 6. Plan Termination

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.

Note 7. Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Investments. Fidelity is the Trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

Note 8. Tax Status

The Plan is intended to be qualified under 401(a) of the Internal Revenue Code of 1986 (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 March 31, 2008. 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.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2014	2013
Net assets available for benefits per the financial statements	\$ 61,343,408	\$ 49,882,527
Differences in:		
Investments - participant loans	509,212	401,368
Receivables - notes receivable from participants	(509,212)	(401,368)
Receivables - employer matching contributions receivable	(190,900)	(149,750)
Receivables - employer profit sharing contributions receivable	(2,110,847)	(1,956,035)
Net assets available for benefits per the Form 5500	\$ 59,041,661	\$ 47,776,742

The following is a reconciliation of contributions per the financial statements to the Form 5500:

	2014
Contributions per the financial statements	\$ 12,137,715
Differences in:	
Contributions receivable - December 31, 2013	2,105,785
Contributions receivable - December 31, 2014	(2,301,747)
Contributions per the Form 5500	\$ 11,941,753

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2014**

(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
	Registered investment companies			
*	Fidelity Management Trust Co.	Balanced Fund	**	\$ 4,267,118
*	Fidelity Management Trust Co.	Contrafund	**	6,476,409
*	Fidelity Management Trust Co.	Freedom 2005 Fund	**	5,675
*	Fidelity Management Trust Co.	Freedom 2010 Fund	**	99,329
*	Fidelity Management Trust Co.	Freedom 2015 Fund	**	191,477
*	Fidelity Management Trust Co.	Freedom 2020 Fund	**	724,009
*	Fidelity Management Trust Co.	Freedom 2025 Fund	**	2,530,698
*	Fidelity Management Trust Co.	Freedom 2030 Fund	**	2,281,740
*	Fidelity Management Trust Co.	Freedom 2035 Fund	**	2,742,953
*	Fidelity Management Trust Co.	Freedom 2040 Fund	**	2,621,681
*	Fidelity Management Trust Co.	Freedom 2045 Fund	**	2,317,845
*	Fidelity Management Trust Co.	Freedom 2050 Fund	**	813,391
*	Fidelity Management Trust Co.	Freedom 2055 Fund	**	50,640
*	Fidelity Management Trust Co.	Freedom Income	**	35,203
*	Fidelity Management Trust Co.	High Income Fund	**	2,094,938
*	Fidelity Management Trust Co.	Mid Cap Stock Fund	**	4,795,458
*	Fidelity Management Trust Co.	Small Cap Value Fund	**	483,998
*	Fidelity Management Trust Co.	Total Bond Fund	**	3,360,610
*	Fidelity Management Trust Co.	Value Fund	**	2,849,002
*	Fidelity Management Trust Co.	Worldwide Fund	**	1,834,847
	Invesco	Diversified Dividend Fund	**	2,234,452
	Janus	Triton Fund Class T Fund	**	598,618
	Sentinel	Common Stock Fund Class I Fund	**	1,478,075
	Spartan	500 Index Adv Fund	**	4,378,323
	Spartan	Global ex U.S. Index Adv Fund	**	2,852,817
	Spartan	Mid Cap Index Adv Fund	**	644,960
	Spartan	Small Cap Index Adv Fund	**	2,019,249
	Virtus	Real Estate Securities Fund Class I Fund	**	379,977
	Wells Fargo	Emerging Markets Equity Fund	**	189,527
	Wells Fargo	Government Securities Fund	**	51,934
	Interest-bearing cash			
*	Fidelity Management Trust Co.	Retirement Money Market Fund	**	3,127,496
*	Participant loans	4.25% to 8.75% maturing through 2024		509,212
				<u>\$ 59,041,661</u>

* Designates party-in-interest.

** All investments are participant directed; therefore, cost information has not been presented.

The above information has been certified by Fidelity Management Trust Company, the Trustee, to be complete and accurate.