

Valeant Pharmaceuticals International, Inc.
Form 8-K
February 09, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (Date of earliest event reported): February 9, 2011 (February 8, 2011)

**Valeant Pharmaceuticals International, Inc.
(Exact name of registrant as specified in its charter)**

Canada (State or other jurisdiction of incorporation)	001-14956 (Commission File Number)	98-0448205 (I.R.S. Employer Identification No.)
7150 Mississauga Road Mississauga, Ontario Canada (Address of principal executive offices)	(905) 286-3000 (Registrant's telephone number, including area code) (Former name or former address, if changed since last report)	L5N 8M5 (Zip Code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

6.750% Senior Notes due 2021

On February 8, 2011, Valeant Pharmaceuticals International (Valeant), a wholly-owned indirect subsidiary of Valeant Pharmaceuticals International, Inc. (the Company), completed its previously announced offering (the Senior Notes Offering) of \$650 million aggregate principal amount of 6.750% Senior Notes due 2021 (the Senior Notes) to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and outside the United States to non-United States persons pursuant to Regulation S under the Securities Act. The Senior Notes have not been and will not be registered under the Securities Act or any state securities law and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. The Senior Notes are the senior unsecured obligations of Valeant and are jointly and severally guaranteed on a senior unsecured basis by the Company and each of the Company's subsidiaries (other than Valeant) that is a guarantor under its credit facilities. Certain of the future subsidiaries of Valeant and the Company may be required to guarantee the Senior Notes.

The net proceeds of the Senior Notes Offering are expected to be used to finance the acquisition of PharmaSwiss S.A., a privately-owned branded generics and over-the-counter (OTC) pharmaceutical company based in Zug, Switzerland, and the acquisition of all U.S. and Canadian rights to non-ophthalmic topical formulations of Zovirax® from GlaxoSmithKline (collectively, the Acquisitions) and to pay fees and expenses in connection with the Acquisitions and for general corporate purposes. In accordance with the provisions of the Senior Notes Indenture (as defined below), pending the completion of each of the Acquisitions, Valeant deposited \$400 million of the proceeds of the Senior Notes Offering, together with cash in an amount sufficient to pay the special mandatory redemption price for the Senior Notes, when and if due, into an escrow account. Valeant granted the Trustee (as defined below), for the benefit of the holders of the Senior Notes, a lien on the funds held in the escrow account.

Indenture

The Senior Notes were issued pursuant to the Indenture, dated as of February 8, 2011, among Valeant, the Company, The Bank of New York Mellon Trust Company, N.A., as trustee (the Trustee), and the guarantors named therein (the Senior Notes Indenture).

Pursuant to the Senior Notes Indenture, the Senior Notes will mature on August 15, 2021. The Senior Notes will accrue interest at the rate of 6.750% per year. Interest on the Senior Notes will be payable semi-annually in arrears on each February 15 and August 15, commencing on August 15, 2011.

If the proceeds of the Senior Notes Offering held in the escrow account are not released from escrow on or before March 25, 2011 (or June 24, 2011 if Valeant has obtained certain waivers to its credit agreement or if for any other reason, Valeant may maintain the funds in escrow without causing a default or an event of default under any of the covenants (financial or otherwise) in its credit agreement), then an aggregate principal amount of notes equal to \$400 million (if neither Acquisition has occurred) or \$265 million (if only one Acquisition has occurred) will be subject to a special mandatory redemption, on a pro rata basis, at a price equal to 100% of the principal amount of the notes being redeemed, plus accrued and unpaid interest to, but not including, the date of redemption.

Additionally, if prior to March 25, 2011, Valeant has informed The Bank of New York Mellon Trust Company, N.A., as escrow agent, that it will not pursue both or either of the Acquisitions, then an aggregate principal amount of notes equal to \$400 million (if neither Acquisition is pursued) or \$265 million (if only one Acquisition is pursued) will be subject to a special mandatory redemption, on a pro rata basis, at a price equal to 100% of the principal amount of the Senior Notes being redeemed, plus accrued and unpaid interest to, but not including, the date of redemption.

Valeant may redeem all or a portion of the Senior Notes at any time prior to February 15, 2016, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption, plus a make-whole premium. On or after February 15, 2016, Valeant may redeem all or a portion of the Senior Notes at the redemption prices applicable to the Senior Notes as set forth in the Senior Notes Indenture, plus accrued and unpaid interest to the date of redemption of the Senior Notes. In addition, prior to February 15, 2014, Valeant may redeem up to 35% of the aggregate principal amount of the Senior Notes with the net proceeds of certain equity offerings.

In the event of a Change of Control (as defined in the Senior Notes Indenture), unless Valeant has exercised its right to redeem all of the Senior Notes, each holder of the Senior Notes may require Valeant to repurchase such

holder s Senior Notes

in whole or in part, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the purchase date of the Senior Notes.

The Senior Notes Indenture contains covenants that limit the ability of the Company and any of its restricted subsidiaries (as such term is defined in the Senior Notes Indenture) to, among other things:

incur or guarantee additional debt;

make certain investments and other restricted payments;

create liens;

enter into transactions with affiliates;

engage in mergers, consolidations or amalgamations;

repurchase capital stock, repurchase subordinated debt and make certain investments; and

transfer and sell assets.

The Senior Notes Indenture also provides for customary events of default.

The foregoing summary of the Senior Notes Indenture is not complete and is qualified in its entirety by reference to the full and complete text of the Senior Notes Indenture, a copy of which is attached as Exhibit 4.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 above is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

No.

Description

4.1	Indenture, dated as of February 8, 2011, by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals International, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the Senior Notes.
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SIGNATURE

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

VALEANT PHARMACEUTICALS INTERNATIONAL,
INC.,

By: /s/ Robert Chai-Onn

Name:

Robert Chai-Onn

Title:

Executive Vice President, General Counsel
and Corporate Secretary

Date: February 9, 2011

EXHIBIT INDEX

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