HORIZON PHARMA, INC.
Form DEFA14A
June 23, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

x Soliciting Material Pursuant to 240.14a-12

Horizon Pharma, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Filed under Rule 14a-12

of the Securities Exchange Act of 1934

Filing by: Horizon Pharma, Inc.

Subject Company: Horizon Pharma, Inc.

SEC File No. of Horizon Pharma, Inc.: 001-35238

This Schedule 14A filing consists of a presentation that will be used by Horizon Pharma, Inc. (Horizon) in investor meetings and conferences beginning on June 23, 2014. Certain information contained in the presentation relating to Vidara Therapeutics International Ltd. (Vidara) and ACTIMMUNE® has been provided by Vidara.

Forward Looking Statements

The presentation contains forward-looking statements, including, but not limited to, statements related to the anticipated consummation of a business combination transaction between Horizon and Vidara and the timing and benefits thereof, Horizon s and the combined company s strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, anticipated product portfolio, development programs and management structure, and other statements that are not historical facts. These forward-looking statements are based on Horizon s current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to Horizon s ability to complete the transaction with Vidara on the proposed terms and schedule; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the transaction will not occur; risks related to future opportunities and plans for Horizon, as well as the combined company, including uncertainty of the expected financial performance and results; disruption from the proposed transaction, making it more difficult to conduct business as usual or maintain relationships with customers, employees or suppliers; the calculations of, and factors that may impact the calculations of, the acquisition price in connection with the proposed merger and the allocation of such acquisition price to the net assets acquired in accordance with applicable accounting rules and methodologies; and the possibility that if the combined company does not achieve the perceived benefits of the proposed transaction as rapidly or to the extent anticipated by financial analysts or investors, the market price of the combined company s shares could decline, as well as other risks related to Horizon s business, including Horizon s dependence on sales of DUEXIS and VIMOVO and its ability to increase sales of its DUEXIS, VIMOVO and RAYOS/LODOTRA products; competition, including potential generic competition; the ability of Horizon to protect its intellectual property and defend its patents; regulatory obligations and oversight; and those risks detailed from time-to-time under the caption Risk Factors and elsewhere in Horizon s SEC filings and reports, including in its Annual Report on Form 10-K for the year ended December 31, 2013. Horizon undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

Additional Information and Where to Find It

In connection with the proposed transaction with Vidara, Horizon and Vidara will be filing documents with the SEC, including the filing by Horizon of a preliminary and definitive proxy statement/prospectus relating to the proposed transaction and the filing by Vidara of a registration statement on Form S-4 that will include the proxy statement/prospectus relating to the proposed transaction. After the registration statement has been declared effective by the SEC, a definitive proxy statement/prospectus will be mailed to Horizon stockholders in connection with the

proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4 AND THE RELATED PRELIMINARY AND DEFINITIVE PROXY/PROSPECTUS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HORIZON, VIDARA AND THE PROPOSED TRANSACTION. Investors and security holders may obtain free copies of these documents (when they are available) and other related documents filed with the SEC at the SEC s web site at www.sec.gov, by directing a request to Horizon s Investor Relations department at Horizon Pharma, Inc., Attention: Investor Relations, 520 Lake Cook Road, Suite 520, Deerfield, IL 60015 or to Horizon s Investor Relations department at 224-383-3000 or by email to investor-relations@horizonpharma.com. Investors and security holders may obtain free copies of the documents filed with the SEC on Horizon s website at www.horizonpharma.com under the heading Investors and then under the heading SEC Filings.

Horizon and its directors and executive officers and Vidara and its directors and executive officers may be deemed participants in the solicitation of proxies from the stockholders of Horizon in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the proposed transaction will be included in the proxy statement/prospectus described above. Additional information regarding the directors and executive officers of Horizon is also included in Horizon s Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the SEC on March 13, 2014. These documents are available free of charge at the SEC s web site at www.sec.gov and from Investor Relations at Horizon as described above.

This communication does not constitute an offer to sell, or the solicitation of an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NASDAQ: HZNP
June 2014
Filed under Rule 14a-12 of the Securities Exchange Act of 1934
Filing by: Horizon Pharma, Inc.
Subject Company: Horizon Pharma, Inc.
SEC File No. of Horizon Pharma, Inc.: 001-35238
The following is a slide presentation relating to the proposed transactions

described therein that was made available beginning on June 23, 2014.
Horizon Pharma, Inc.

Forward-Looking Statements

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business combination transaction between Horizon Pharma and Vidara Therapeutics and the timing and benefits thereof, Horiz
and the combined company s strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial r
growth potential, anticipated product portfolio, development programs and management structure, and other statements that are
historical facts. These forward-looking statements are based on Horizon Pharma s current expectations and inherently involve

and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward lookin
a result of these risks and uncertainties, which include, without limitation, risks related to Horizon Pharma s ability to complet
with Vidara on the proposed terms and schedule; risks associated with business combination transactions, such as the risk that
will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that
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company, including uncertainty of the expected financial performance and results; disruption from the proposed transaction, m
difficult to conduct business as usual or maintain relationships with customers, employees or suppliers; the calculations of and
may impact the calculations of, the acquisition price in connection with the proposed merger and the allocation of such acquisi
the net assets acquired in accordance with applicable accounting rules and methodologies; and the possibility that if the combi
does not achieve the perceived benefits of the proposed transaction as rapidly or to the extent anticipated by financial analysts
the market price of the combined company s shares could decline, as well as other risks related to Horizon Pharma s business
Horizon Pharma s dependence on sales of DUEXIS and VIMOVO and its ability to increase sales of its DUEXIS, VIMOVO a
products; competition, including potential generic competition; the ability of Horizon Pharma to protect its intellectual property
patents; regulatory obligations and oversight; and those risks detailed from time-to-time under the caption Risk Factors and
Horizon Pharma's SEC filings and reports, including in its Annual Report on Form 10-K for the year ended December 31, 201
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future events or changes in its expectations.

Additional Information

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This communication does not constitute an offer to sell, or the solicitation of an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For full prescribing information refer to product websites.

Note Regarding Use of Non-GAAP Financial Measures

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Horizon Pharma provides non-GAAP net income (loss) and net income (loss) per share financial measures that include adjustn
GAAP figures. These adjustments to GAAP exclude non-cash items such as stock compensation and depreciation and amortiz
cash interest expense, and other non-cash charges. Certain one-time or substantive events may also be included in the non-GA
adjustments periodically when their magnitude is significant within the periods incurred. EBITDA, or earnings before interest,
depreciation and amortization, is also used and provided by Horizon Pharma as a non-GAAP financial measure. Horizon Phar

that these non-GAAP financial measures, when considered together with the GAAP figures, can enhance an overall understand Horizon Pharma s financial performance. The non-GAAP financial measures are included with the intent of providing investo more complete understanding of operational results and trends. In addition, these non-GAAP financial measures are among th indicators Horizon Pharma s management uses for planning and forecasting purposes and measuring Horizon Pharma s perfo These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial m calculated in accordance with GAAP. The non-GAAP financial measures used by Horizon Pharma may be calculated differen therefore may not be comparable to, non-GAAP financial measures used by other companies.

(1)
On a non-GAAP basis
(2)
Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer
(3)
RAYOS is known as LODOTRA outside the United States
Profitable

(1)
, specialty pharma company with accelerating growth
Integrated commercial model with analytics as its foundation
Four
products
targeting
unmet
therapeutic
needs
in
primary
care,
orphan
diseases
(2)
and specialty segments

VIMOVO
®
(naproxen/esomeprazole)

DUEXIS
®
(ibuprofen/famotidine)

ACTIMMUNE
®
(interferon gamma 1b)
(2)

RAYOS
®
(prednisone) delayed-release tablets
(3)
Tax efficient corporate platform facilitating an aggressive business
development strategy via product/company acquisitions
(2)
Proven leadership team
5
Horizon Pharma Overview

Accelerating Growth in Revenues and EBITDA
6
~497% Year-over-Year
Net Sales Growth
2011
2012
2013

2014E
(1)
1Q 2013
1Q 2014
$6.9
$18.8
$74.0
$275.0
$8.7
$51.9
$(46.8)
$(73.3)
$(33.5)
$(16.6)
$11.0
$(150.0)
$(100.0)
$(50.0)
$-
$50.0
$100.0
$150.0
$200.0
$250.0
$300.0
Net Sales
Adjusted EBITDA
(1)
Midpoint of 2014 guidance provided on May 9, 2014 for net sales of $270 - $280 million and adjusted EBITDA of $80 - $90 m
assumed period of August through December 2014 and excluded transaction related expenses. By this presentation, Horizon is
guidance.
$85.0

7
Integrated Commercial Model
Leading-Edge, Value-Based Analytics
Differentiated
Sales Approach
Do What is Right
for the Patient

Optimize
Value
Prescriptions
Made Easy

Rep profile
B2B

Funnel
management

Optimized targeting

Total office and
pharmacy call

Uncapped incentives

$0 co-pay program

Ensure ubiquity

Align WAC and
co-pay

Maximize net
revenues

Understand the
interplay of
pricing, managed
care control and
script volume

Eliminate script
fulfillment friction

Specialty pharmacy
channel

HZNP guarantees
reimbursement

Integrated Commercial Model *(continued)*
DUEXIS Unique Prescribers and Adopters Continue to Grow
8
Added 200+ new writers every week for last 20 months
(1)
Source: IMS Xponent data
Number of Unique Writers

(1)
13% increase over last 3 months
Number of Unique Adopters (5+ TRx)
(1)
19% increase over last 3 months
Unique Prescribers

+13%
Unique Adopters (5+ Rx/week)

+19%

~35% of DUEXIS Prescriptions Through PME (May 2014)
Rx Filled
Refill Rate
(May
2014)
(2)
Fill Rate

(1)
9
Prescriptions-Made-Easy
(PME) Specialty
Pharmacy Program Driving Prescriptions
2013
2014
(1)
National Average fill rate calculated by subtracting IMS Monthly Claims national average rejections and reversals from total p
a claim adjudicated (1 rejections reversals) and Pharmacy Pilot fill rate based on total patients contacted by the pharmacy t
insurance information and fill their prescription (total patients that fill Rx / total patients that are contacted and have insurance
(2)
National Average refill rate based on IMS NPA Monthly

Primary Care
Orphan Diseases
10
Four US Products in Three Market Segments
(1)
Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer
(2)

RAYOS is known as LODOTRA outside of the United States
(1)
Specialty
250 sales reps

PCPs

Ortho surgeons

Podiatrists
Six sales reps
40 sales reps

Rheumatologists
(2)

Academic medical
centers

Family Practice ID and
Immunology

11

(1)
Singh and Rosen Ramey. *J Rheumatol*. 1998;51(suppl):8 16.
(2)
Geis et al. *J Rheumatol*. 1996;18:11 14
(3)
M.Wolfe, et.al.; Gastrointestinal Toxicity of Nonsteroidal Anti-inflammatory Drugs; NEJM; vol. 340; no. 24; June 1999.

(4)
BMC Musculoskeletal Disorders 2006, 7:79
(5)
Sturkenboom, et.al.; Aliment Pharmacol Ther 2003; 18:1137-1147

GI intolerance incidence: up to 50%
(1)

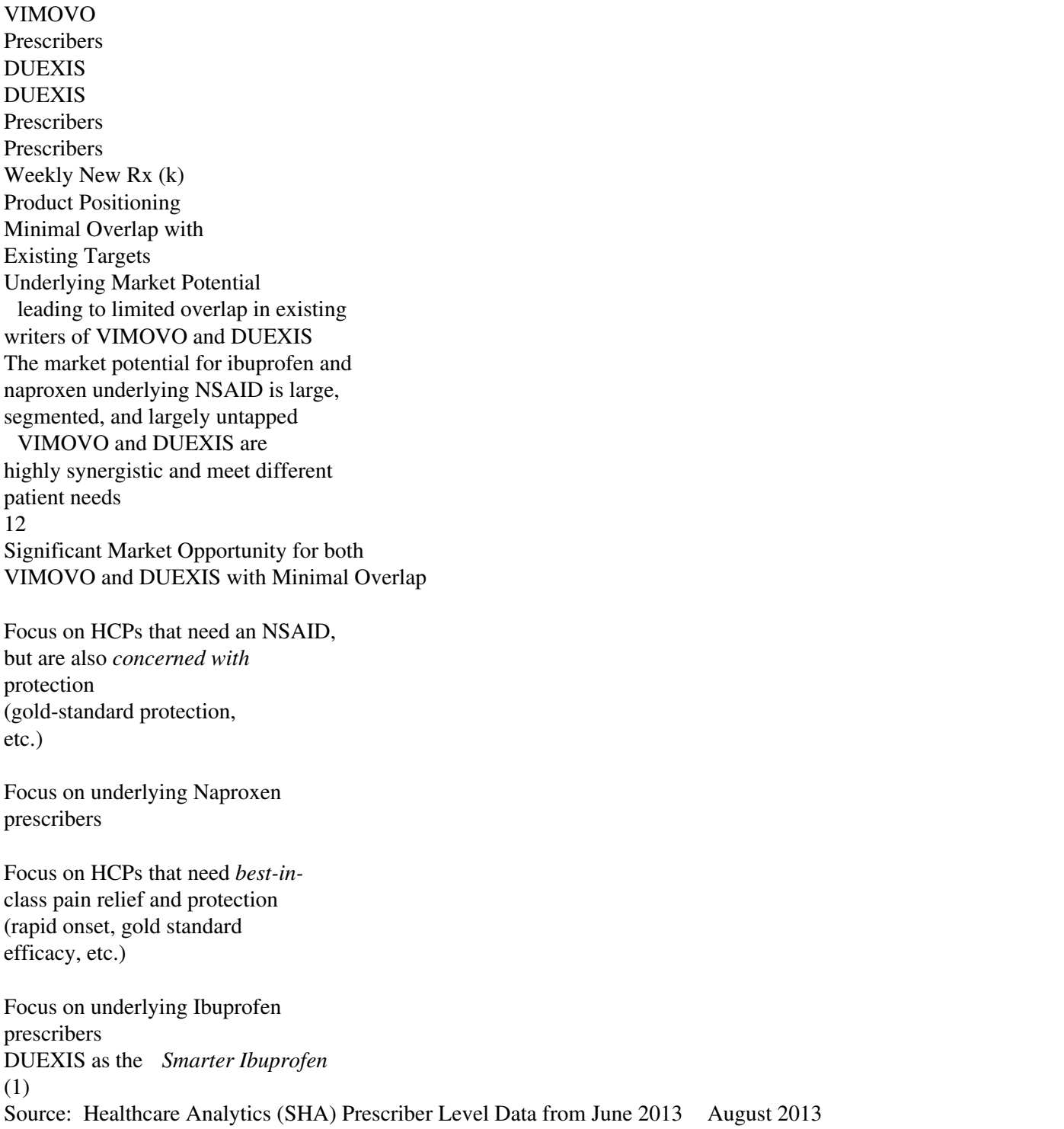
Endoscopic ulcers incidence: 15-46%
(2)

Leads to 107k hospitalizations and 16.5k deaths per year
(3)

76% of MDs do not prescribe concomitant GI therapy
(4)

37% of patients non-compliant; increased to 61% by the 3rd prescription
(5)
Novel, proprietary formulations of two of the most prescribed NSAIDs combined with a GI protectant in a single pill
NSAID-INDUCED GI TOXICITY
POOR PHYSICIAN AND PATIENT COMPLIANCE
VIMOVO
VIMOVO
DUEXIS
DUEXIS
Naproxen
NSAID
Ibuprofen
Esomeprazole magnesium (PPI)
GI Protectant
Famotidine (H_2 antagonist)
BID Dosing
TID
VIMOVO & DUEXIS
Addressing an Unmet Medical Need

VIMOVO as the *Smarter Naproxen*
There is only ~30% TRx overlap of
VIMOVO
and
DUEXIS
prescribers
(1)


VIMOVO
Prescribers
DUEXIS
DUEXIS
Prescribers
Prescribers
Weekly New Rx (k)
Product Positioning
Minimal Overlap with
Existing Targets
Underlying Market Potential
leading to limited overlap in existing
writers of VIMOVO and DUEXIS
The market potential for ibuprofen and
naproxen underlying NSAID is large,
segmented, and largely untapped
VIMOVO and DUEXIS are
highly synergistic and meet different
patient needs
12
Significant Market Opportunity for both
VIMOVO and DUEXIS with Minimal Overlap
Focus on HCPs that need an NSAID,
but are also *concerned with*
protection
(gold-standard protection,
etc.)
Focus on underlying Naproxen
prescribers
Focus on HCPs that need *best-in-*
class pain relief and protection
(rapid onset, gold standard
efficacy, etc.)
Focus on underlying Ibuprofen
prescribers
DUEXIS as the *Smarter Ibuprofen*
(1)
Source: Healthcare Analytics (SHA) Prescriber Level Data from June 2013 August 2013

(naproxen/esomeprazole magnesium)
Delayed-Release Tablets
375/20 and 500/20 mg
Indicated for the relief of signs and symptoms of osteoarthritis, rheumatoid arthritis and ankylosing spondylitis and to decrease the risk of developing gastric ulcers in patients at risk of developing NSAID-associated gastric ulcers
See

full
prescribing
information
at
www.vimovo.com

Highly Synergistic VIMOVO Acquisition
(1)
AstraZeneca Annual Reports
Product Highlights
Product Highlights

Acquired Nov. 18, 2013 from

AstraZeneca

$35 million one time payment

Leverages existing commercial
infrastructure

Focus on commercial payors

Maximizing value through price and
lower patient co-pay

Rapid growth in VIMOVO revenues
14
Net Sales
Net Sales
(1)
(1)
Perfect example of value arbitrage we are trying to capture in our BD strategy

VIMOVO Off to Strong Start in 2014
LARGE MARKET
OPPORTUNITY
COMMERCIAL
DYNAMICS
EXECUTION

Large NSAID market (>100M TRx/year)

Naproxen NSAID in U.S. with over 16M TRx/year

Peak annual VIMOVO demand of ~600k scripts and run rate of ~300k scripts at YE13

Branded NSAIDs in Tier 3 position

VIMOVO priced at monthly WAC of $799, WAC/TRx of ~$820

84% of claims approved

$0 target co-pay

May 2014 NRx +2% vs. April 2014

May 2014 TRx +4% vs. April 2014

May 2014 TRx dollars of ~$21.6M

April 2014 TRx dollars of ~$20.8M

15

250 Primary Care Reps + 40 Specialty Reps Selling VIMOVO

HZNP

Full Launch of VIMOVO on February 3, 2014

Source: IMS NPA Monthly data; IMS Claims data Commercial Only

For the relief of signs and symptoms of rheumatoid arthritis and osteoarthritis and to decrease the risk of developing upper gastrointestinal ulcers in patients who are taking ibuprofen for those indications
See
full

prescribing
information
at
www.DUEXIS.com

DUEXIS Scripts Continue to Grow
250 Sales Reps Promoting to Primary Care and ORS
17
LARGE MARKET
OPPORTUNITY
MANAGED
CARE

EXECUTION

Large NSAID market
(100M+ TRx/year)

Ibuprofen is leading
NSAID in U.S. with
over 33M TRx/year

Branded NSAIDs in Tier
3 position

Monthly WAC of $799,
average WAC/Rx of
~$720

82% of claims
approved

$0 target co-pay

NRx/TRx continue to
grow

May 2014 TRx +8% vs.
April 2014

May 2014 NRx +6% vs.
April 2014

May TRx dollars of
~$16.8M

April TRx dollars of
~$15.7M
Source: IMS Xponent data; IMS Claims data - Commercial Only

DUEXIS Quarterly
Net Sales Growth ($M)
Sales Force
Expansion
TRx
NRx
Price Increase

from $198 WAC
to $502 WAC
Price Increase
from $502 WAC
to $677 WAC
Price Increase
from $677 WAC
to $799 WAC
18
DUEXIS Monthly
TRx and NRx
(2)
(1)
DUEXIS Scripts Continue to Grow *(continued)*
DUEXIS Scripts Continue to Grow *(continued)*
Source: IMS Xponent Data
(1)
Includes one-time amount of $1.4M due to change in timing of revenue recognition.
(2)
Includes one time reversal of managed care rebate in the amount of $2.4M

For reduction of the frequency and severity of serious infections
associated with Chronic Granulomatous Disease and for delaying time to
disease progression in patients with severe, malignant osteopetrosis
(Interferon gamma-1b)
Injection
Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer
See

full
prescribing
information
at
www.actimmune.com

On March 19, 2014, announced the acquisition of Vidara Therapeutics International Ltd. for 31.35 million shares of Horizon stock, $200 million in cash and plan to become *Horizon Pharma plc*

Closing is currently projected to be this summer

ACTIMMUNE

Recombinant biologic approved in two ultra orphan indications, CGD and SMO

Realized **$58.9 million** in net revenues in 2013

Commercial rights in U.S., Canada, Japan and certain LA, Asian and other ROW territories

Two U.S. patents extending to 2022; perpetual Genentech know-how license

Potential for label expansion, including Friedreich s ataxia and eczema herpeticum

Total headcount of 24, including 6 sales reps with biologic and orphan experience

Horizon Pharma plc
corporate structure

Corporate headquarters: Dublin, Ireland

Bermuda headquarters: Hamilton (IP & BLA)

U.S. headquarters: Deerfield, IL
20
Vidara Therapeutics Acquisition Overview
Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer

Pricing
Currently priced at $308K per patient per year
Pricing analyses in process to determine optimal pricing strategy

Penetration
CGD and SMO penetration is <25%

Opportunity to increase penetration rates with increased commitment to selling and marketing

New Presentations/Formulations
~25% of scripts are for Medicaid covered patients
$0.01 sales price per vial
New presentation/formulation
reestablish value-based pricing with Medicaid

New Indications
12 patient trial in Freidrich s Ataxia reading out in 2H:14
Eczema herpeticum
21
Growth Potential for ACTIMMUNE
Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer

Delayed-Release Low-Dose Prednisone approved in the U.S. for treatment of Rheumatoid Arthritis, Polymyalgia Rheumatica, Psoriatic Arthritis, Ankylosing Spondylitis, Asthma and Chronic Obstructive Pulmonary Disease*
(prednisone)
Delayed-Release Tablets
Note: RAYOS is known as LODOTRA outside the United States
*For full

list
of
indications,
see
full
prescribing
information
at:
www.RAYOSrx.com

RAYOS Commercial Overview
HIGH UNMET NEED IN
RA & PMR
COMMERCIAL
DYNAMICS
EXECUTION

1.8M RA Patients,
majority suffer from
morning symptoms

1.1M PMR Patients,
majority suffer from
morning symptoms

~10M annual TRx

~3M annual
prednisone Rx s

40 Rheum Specialists
calling on 3,000+
rheumatologists

May 2014 TRx +4% vs.
April 2014

May 2014 NRx -1% vs.
April 2014

May TRx dollars of
~$1.72M

April TRx dollars of
~$1.67M
May 2014 TRx +4% vs. April 2014
Note: RAYOS is known as LODOTRA outside the United States
23
Source: IMS NPA Monthly data; IMS Claims data - Commercial Only

Majority Tier 3
position

RAYOS priced at $933
WAC per 30-count
bottle, WAC per Rx of
$1,600

88% of claims
approved

$0 target co-pay

24

DUEXIS

6 issued U.S. patents

Settled Par Pharmaceutical PIV litigation by granting a non-exclusive right to market a generic

product beginning January 1, 2023, or earlier under certain circumstances

VIMOVO

8 issued U.S. patents with protection to at least 2022

Five generic companies have filed ANDA PIV against VIMOVO
o
Dr. Reddy s non-infringement challenge in court system (Pisano, NJ)
o
Court ordered mediation is in process (no trial date set)

RAYOS

5 issued U.S. patents with protection to at least 2024

Horizon responded to a PIV Patent Certification received from Watson on July 15, 2013 by filing a patent infringement lawsuit against Watson on Aug. 27, 2013 in New Jersey

no trial date set

ACTIMMUNE
(1)

Two U.S. patents extending to 2022; perpetual Genentech know-how license
Long Life Proprietary Products
(1)
Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer

President & CEO,
IDM Pharma
(Orphan/Osteosarcoma;
sold to Takeda)
Todd Smith
EVP, Chief Commercial
Officer

Agouron, Achillion, Abbott,
Bayer, Fenwal
VP/GM, Abbott Immunology
Led global
development
&
launch
of
HUMIRA
($11+B
in
sales)
Wyeth, Searle, Merck and
Abbott
Marketed 12 NSAIDs, including
Celebrex, VIOXX, Arthrotec,
Mobic, Daypro, Brufen
Jeff Sherman, M.D.
EVP, Chief Medical Officer
BMS, Searle, Takeda, IDM Pharma
25
Proven Leadership Team
Extensive Commercial, Development and M&A Experience
Bob Carey
EVP, Chief Business Officer
JMP Securities, Dresdner Kleinwort
Wasserstein,
Vector Securities
Board
Member
Raptor
(orphan);
XOMA
(orphan)
Egalet
(opioid);
BIO
Bob De Vaere
(1)
EVP, Chief Financial Officer
IDM Pharma, Nexa Therapeutics,
Epimmune, Vista Medical
Paul Hoelscher
(1)
EVP, Finance
Chief
Financial
Officer
-
Elect

OfficeMax, Alberto Culver/Unilever,
KPMG LLC
Ben Bove
SVP,
Marketing
&
Analytics
Galt & Company, Abbott, Fenwal
Jeff Kent, M.D.
SVP, Medical Affairs
Searle (Celebrex/Bextra), Abbott
(HUMIRA)
Tim Walbert
Chairman, President & CEO
(1)
Bob De Vaere will retire , effective September 30, 2014 and enter into a one-year consulting agreement with the Company; Pa
President, Finance, effective June 23, 2014 and Chief Financial Officer, effective October 1, 2014

Leverage Core
Commercial Strengths
Adjacencies to Current
Capabilities
Important Unmet Need

Pursue products with differentiated clinical benefits

U.S. products/companies with on-market assets

Leverage 250 person primary care sales force

Leverage 40 person specialty sales force

Build upon orphan presence with ACTIMMUNE

Differentiated and/or underappreciated assets with targeted approach regardless of therapeutic area

Opportunistic targets which provide geographic expansion

Immediate accretion

Attractive financial returns

Long life assets
Maximize Shareholder
Value Creation
Business Development Strategy
26

($ in millions)
Period
1Q 2014 % Change from
1Q 2013
2Q 2013
3Q 2013
4Q 2013

FY 2013
1Q 2014
1Q 2013
4Q 2013
Net Sales by Product
VIMOVO
-
$
-
$
-
$
1.0
$
1.0
$
34.0
$
NM
NM
DUEXIS
4.8

9.5

21.6

23.1

59.0

13.9

190%
-40%
RAYOS
(1)
0.4

0.4

1.8

3.2

5.8

3.3

727%

3%
LODOTRA
(1)
3.5

1.2

0.7

2.8

8.2

0.7

-80%
-75%
Total Net Sales
8.7
$
11.1
$
24.1
$
30.1
$
74.0
$
51.9
$
497%
73%
Adjusted EBITDA
(3)
(16.6)
$
(13.9)
$
(0.8)
$
(1.0)
$
(32.3)
$
11.0
$
NM
NM
1Q 2014 and Full Year 2013 Results

Adjusted 1Q 2014 non-GAAP net income was $11.0 million, or $0.16 non-
GAAP basic earnings per share and $0.13 non-GAAP diluted earnings per share
(1)
RAYOS is known as LODOTRA outside the United States
(2)
Not meaningful
(3)
Adjusted EBITDA reflects adjustments for Vidara acquisition costs
27
(2)

Adjusted Financials Reconciliation
28
($ in thousands)
Fiscal Year Ended December 31,
Three Months Ended March 31,
2011
2012

2013
2013
2014
GAAP Net Loss
(113,265)
$
(87,794)
$
(149,005)
$
(22,171)
$
(206,250)
$
Loss on derivative revaluation
-

-

69,300

-

204,030

Intangible impairment charge
69,621

-

-

-

-

Depreciation and intangible amortization expense
4,199

5,538

9,310

1,922

5,403

Interest expense, net
6,284

14,525

39,178

3,603

4,207

Other expense, net
-

56

-

-

667

Foreign exchange loss (gain)
1,023

(489)

(1,206)

905

38

Benefit for income taxes
(14,683)

(5,171)

(1,121)

(881)

(1,105)

Non-GAAP Adjustments
66,444
$
14,459
$
115,461
$
5,549
$

213,240
$
EBITDA
(46,821)
$
(73,335)
$
(33,544)
$
(16,622)
$
6,990
$
Adjustments for Vidara acquisition costs
-

-

1,252

-

4,049

Total Non-GAAP Adjustments
66,444

14,459

116,713

5,549

217,289

Adjusted EBITDA
(46,821)
$
(73,335)
$
(32,292)
$
(16,622)
$
11,039
$

Adjusted Financials Reconciliation *(continued)*
29
Three Months Ended
($ in thousands)
March 31,
2014
GAAP Net Loss
(206,250)
$
Loss on derivative revaluation
204,030

Intangible amortization expense (net of tax effect)
4,680

Stock based compensation
1,927

Amortization of debt discount and deferred financing costs
2,333

Depreciation expense
376

Amortization of deferred revenue
(161)

Non-GAAP Adjustments
213,185

Non-GAAP Net Income (Loss)
6,935
$
Adjustments for Vidara acquisition costs
4,049

Total Non-GAAP Adjustments
217,234

Adjusted Non-GAAP Net Income (Loss)
10,984
$
GAAP Net Loss per common share - basic
(3.07)
$
Non-GAAP Adjustments
3.23

Adjusted Non-GAAP Basic Earnings (Loss) per Share
0.16
$
Dilutive earnings per share effect of common stock equivalents
(0.03)

Adjusted Non-GAAP Net Income (Loss) per Common Share - Diluted
0.13
$

(in millions)
As of 3/31/14
Pro Forma for
Vidara Acquisition
Balance Sheet
Balance Sheet
Cash

$103.4
n/a
Debt
$150.0
(1)
$450.0
(2)
Capitalization
Capitalization
(3)
(3)
Basic Shares Outstanding
71.4
102.8
Fully Diluted Shares Outstanding
(4)
90.4
121.8
Financial Highlights
30
(1)
Gross amount of 5% convertible notes outstanding, excluding debt discount
(2)
Includes $300 million senior secured credit agreement; see following slide for further details.
(3)
Includes all issued and outstanding securities, vested and unissued RSUs and contingent stock options. Pro Forma column incl
shares issued to Vidara shareholders upon closing and assumes no existing warrants, options or RSUs are exercised between 3/
(4)
Excludes shares issuable upon conversion of $150 million convertible note.

On June 19, 2014, we announced an agreement with a group of lenders to provide Horizon with $300 million in financing that will replace the $250 million bridge loan commitment received from Deerfield Management Company, L.P., announced on March 19, 2014
31
Senior Secured Credit Agreement
Loan Commitment
Senior secured term loans

Size	
$300 million	
Term	
5 years	
Interest Rate	
L + 8.0% (LIBOR Floor: 1.0%) or	
the prime lending rate + 7.0% (at each borrower s option)	
Make-whole	
T+50 bps for two years and callable thereafter at a premium:	
Year 3: 104, year 4: 102, year 5: 100	
Amortization	
None	
Accordion	
(1)	
Unlimited subject to (i) minimum EBITDA of $70 million, (ii) maximum senior secured net leverage ratio < 3.5x (cash netting cap of $50 million) and (iii) maximum total net leverage ratio < 5.5x (cash netting cap of $50 million)	
Timing	
Coincident with the closing of the proposed acquisition of Vidara	
Use of proceeds	
To effect the proposed acquisition of Vidara, pay related transaction fees and expenses and for general corporate purposes	

(1)
EBITDA to reflect certain adjustments and be calculated on a Last Quarter Annualized basis for any test period ending on or p
after which EBITDA shall be calculated on a Last Twelve Months Basis after giving pro forma effect to any acquisitions and d
occurred during the test period and on or before the calculation date.

Appendix

Appendix

Horizon Pharma History
33
2005
2008
2010
2011
2012

2013
Founded in Palo Alto, CA
Relocates to IL
DUEXIS U.S. Approval
4-2011
$50M IPO (NASDAQ: HZNP)
DUEXIS U.S. Launch
$111M Raised: $60M in Debt and $51M in Equity
$86M Equity Raise
RAYOS U.S. Approval
7-2012
RAYOS U.S. Launch
T. Walbert joins as CEO
Acquisition of VIMOVO
$150M Convert
VIMOVO HZNP U.S. Launch
2014
Vidara Acquisition (1) & $300M Loan (1)
(1) Pending the closing of the acquisition of Vidara Therapeutics International Ltd. which is expected this summer
Acquisition of private, Switzerland-based Nitec Pharma (RAYOS)

VIMOVO: Significant Reduction in Gastric Ulcers
Cumulative observed incidence of Gastric Ulcers
*P<0.001 Ec Naproxen vs. VIMOVO
Source: VIMOVO Approved Package Insert, October 2012
*
*
34

4.1
23.1
7.1
24.3
0
5
10
15
20
25
30
VIMOVO
EC
Naproxen
VIMOVO
EC
Naproxen
Study 301
Study 302

VIMOVO: Gastric Protection with or without
Low Dose Aspirin (LDA)
Pooled Cumulative incidence of Gastric Ulcer with or without LDA
35
Aliment
Pharmacol
Ther

2010;
32:
401-413
LDA Users
LDA Non-Users

36
Source: DUEXIS Approved Package Insert, April 2011
20.0%
DUEXIS
TID
Ibuprofen
800 mg TID

10.5%
N=190
N=380
p-value = 0.002
8.7%
N=216
N=447
17.6%
DUEXIS
TID
Ibuprofen
800 mg TID
p-value = 0.0004
Statistically significant less dyspepsia vs. ibuprofen
5% vs. 8%
(p-value = 0.009)
All other treatment-emergent GI adverse events were similar
~50 % Reduction **in Gastric or Upper GI Ulcers**
REDUCE-1, Patients with
Endoscopic *Gastric* Ulcer (%)
REDUCE-2, Patients with
Endoscopic *Upper GI* Ulcer (%)
DUEXIS Met Primary Endpoints in Phase 3 Trials

RELEASE
10pm
2am
6am
10am
Pain &
Stiffness

High
Cytokine
release
RELEASE
High
10pm
2am
6am
10am
RAYOS Synchronizes Pharmaceutical Delivery with
Therapeutic Need
37
Notes: Illustrative only
STANDARD PREDNISONE
-
Current regimen too late
-
Morning administration does not mediate
nocturnal cytokine peak
LODOTRA
-
Optimal nocturnal release regimen
-
Convenient bedtime dosing
-
Reduces morning stiffness and pain
Pain &
Stiffness
Cytokine
release
DOSING
RAYOS is known as LODOTRA outside the United States

Note:
RAYOS is known as LODOTRA outside the United States
Diff.
(1.7X)
Diff.
(2.5X)
Diff.

(2.8X)
CAPRA-2 -
Pivotal U.S. Phase 3 Study
38
LODOTRA
Placebo
p-value = 0.0002
p-value = 0.0027
p-value = 0.0955
% of Patients with Improvement
Source: Arthritis Rheum 2010 (62 suppl 10:392)
48.5%
22.7%
7.0%
28.6%
9.2%
2.5%
ACR 20
ACR 50
ACR 70
Strong, Significant
Improvement in
ACR 20 and ACR 50
350 Patients
Randomized 2:1
DMARD Use (MTX)
Included in Trial
Safety Comparable
to Placebo
RAYOS -
Significantly Improved ACR 20/50 Response

RAYOS Delivers Superior to Immediate-Release
Prednisone in Reducing Morning Stiffness
39
CAPRA-1 (Pivotal EU Phase 3 Study)
23% mean relative reduction in morning stiffness after 3 months
Sustained reduction of morning stiffness (~50% reduction)
Reduction in IL-6 levels (~30% after 3 months, ~40% after 12 months)

Relative change from baseline in duration of morning stiffness for the safety set of the open phase
IR PREDNISONE GROUP
SWITCHED TO
LODOTRA
DOUBLE BLIND
PHASE
p-value = 0.045
Mean Immediate Release Prednisone Group
Mean LODOTRA Group
Note:
RAYOS is known as LODOTRA outside the United States
-80
-70
-60
-50
-40
-30
-20
-10
0
10
20
0
1
2
3
4
5
6
7
8
9
10
11
12
13
Study Month
OPEN LABEL PHASE
Source:
The Lancet, 2008 (371:205-14)

NASDAQ: HZNP
June 2014
Horizon Pharma, Inc.
Filed under Rule 14a-12 of the Securities Exchange Act of 1934
Filing by: Horizon Pharma, Inc.
Subject Company: Horizon Pharma, Inc.
SEC File No. of Horizon Pharma, Inc.: 001-35238

described therein that was made available beginning on June 23, 2014.

The following is a slide presentation relating to the proposed transactions