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CIRCULAR
November 9, 2010

FINAL CONTRACT ADJUSTMENT
Valeant Pharmaceuticals International, Inc. (VRX)
Special Cash Dividend

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC wish to inform you that Valeant Pharmaceuticals International, Inc. (VRX) announced on November 4, 2010, that its Board of Directors has declared a one-time special dividend of US\$1.00 per common share (the “Special Dividend”) that shareholders of record as of the close of business on November 15, 2010 will be entitled to receive on December 22, 2010.

The Bourse and CDCC will adjust the Special Dividend by adding to all common shares deliverables the value of the distributed dividend (i.e. US\$1.00). The symbol VRX for Valeant Pharmaceuticals International, Inc. equity options will change to VRX2.

Please note that the Bourse and CDCC have decided to adjust the Special Dividend differently than the OCC, who reduced the strike prices by the distributed dividend. Since the Special Dividend is in US\$, the Bourse and CDCC will adjust the deliverable per contract instead, which is in compliance with the Section A-902 paragraph (5) of the Rules of CDCC.

CDCC - adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all the VRX options will be adjusted as follows:

- **EFFECTIVE DATE:** **November 10, 2010**
- **OPTIONS SYMBOL:** **VRX will become VRX2**
- **NUMBER OF CONTRACTS:** **Unchanged**
- **NEW DELIVERABLE PER CONTRACT:** **100 VRX common shares and US\$ 100**

- **MULTIPLIER:** **100**
- **POSITION AND EXERCISE LIMITS** **Position and exercise limits will remain unchanged at 75,000 contracts**
- **STRIKE PRICES:** **Unchanged**
- **CUSIP :** **NOTACUSIP**

CDCC will not adjust any outstanding escrow receipts. Members who want to maintain margin relief for their entire position will be required to deposit additional escrow receipts.

The Bourse - adjustment details:

It is important to note that on the effective date mentioned above, all open orders on this option class **will not be automatically modified** to reflect the Special Dividend and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of VRX options class will be transferred to the VRX2 options class representing the new deliverable. Actual series that do not have open interest will not be adjusted.

Valeant Pharmaceuticals International, Inc		
Actual Strike Prices	Actual Class Symbol	New class symbol after the Special Dividend
\$ 12.00	VRX	VRX2
\$ 13.00	VRX	VRX2
\$ 14.00	VRX	VRX2
\$ 15.00	VRX	VRX2
\$ 16.00	VRX	VRX2
\$ 17.00	VRX	VRX2
\$ 18.00	VRX	VRX2
\$ 19.00	VRX	VRX2
\$ 20.00	VRX	VRX2
\$ 21.00	VRX	VRX2
\$ 22.00	VRX	VRX2
\$ 23.00	VRX	VRX2
\$ 24.00	VRX	VRX2
\$ 25.00	VRX	VRX2
\$ 26.00	VRX	VRX2
\$ 27.00	VRX	VRX2
\$ 28.00	VRX	VRX2
\$ 29.00	VRX	VRX2
\$ 30.00	VRX	VRX2

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Louise Leclair, Trading Systems Analyst Market Operations, Bourse de Montréal Inc. at (514) 871-3526. Clearing members may contact the CDCC Member Services Department.

Brian Gelfand
Vice-President, Institutional Relations and Market Operations

Circulaire no : 150-2010