

JAZZ PHARMACEUTICALS PLC
RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION - 2018 BY QUARTER

To supplement Jazz Pharmaceuticals plc's financial results presented in accordance with U.S. generally accepted accounting principles (GAAP), the company uses certain non-GAAP (also referred to as adjusted or non-GAAP adjusted) financial measures. The tables that follow present certain financial information on a GAAP reported and non-GAAP adjusted basis for Jazz Pharmaceuticals plc and its consolidated subsidiaries for the periods specified, along with reconciliations of the non-GAAP financial measures presented to the most directly comparable GAAP reported measures. The company believes that each of these non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors and analysts. In particular, the company believes that each of these non-GAAP financial measures, when considered together with the company's financial information prepared in accordance with GAAP, can enhance investors' and analysts' ability to meaningfully compare the company's results from period to period and to its forward-looking guidance, and to identify operating trends in the company's business. In addition, these non-GAAP financial measures are regularly used by investors and analysts to model and track the company's financial performance. Jazz Pharmaceuticals' management also regularly uses these non-GAAP financial measures internally to understand, manage and evaluate the company's business and to make operating decisions, and compensation of executives is based in part on certain of these non-GAAP financial measures. Because these non-GAAP financial measures are important internal measurements for Jazz Pharmaceuticals' management, the company also believes that these non-GAAP financial measures are useful to investors and analysts since these measures allow for greater transparency with respect to key financial metrics the company uses in assessing its own operating performance and making operating decisions.

The non-GAAP financial measures included in the accompanying tables are not meant to be considered in isolation or as a substitute for comparable GAAP measures; should be read in conjunction with the company's condensed consolidated financial statements prepared in accordance with GAAP; have no standardized meaning prescribed by GAAP; and are not prepared under any comprehensive set of accounting rules or principles. In addition, from time to time in the future there may be other items that the company may exclude for purposes of its non-GAAP financial measures; and the company has ceased, and may in the future cease, to exclude items that it has historically excluded for purposes of its non-GAAP financial measures. For example, commencing with the presentation of the company's financial guidance for 2020, the company will no longer exclude upfront and milestone payments from the company's non-GAAP adjusted net income, its line item components and non-GAAP adjusted EPS. Accordingly, while certain of such payments are excluded from its non-GAAP financial measures for the year ended December 31, 2018, as detailed in the reconciliation tables that follow, such presentation is made solely for comparability and transition purposes and will not be continued going forward. Likewise, the company may determine to modify the nature of its adjustments to arrive at its non-GAAP financial measures. Because of the non-standardized definitions of non-GAAP financial measures, the non-GAAP financial measures as used by the company in the accompanying tables have limits in their usefulness to investors and may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies.

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In thousands, except per share amounts (Unaudited)	1Q18	2Q18	3Q18	4Q18	2018
GAAP reported net income	\$ 45,991	\$ 92,321	\$ 149,316	\$ 159,470	\$ 447,098
Intangible asset amortization	53,007	54,959	46,989	46,543	201,498
Share-based compensation expense	24,303	26,312	25,103	26,723	102,441
Loss contingency ^(a)	57,000	-	-	-	57,000
Impairment charges and disposal costs ^(b)	-	43,969	-	-	43,969
Upfront & milestone payments ^(c)	11,000	-	-	-	11,000
Non-cash interest expense	10,617	10,887	11,165	11,291	43,960
Income tax effect of above adjustments	(19,547)	(13,812)	(13,786)	(13,751)	(60,896)
U.S. Tax Act impact	-	-	2,868	(10,325)	(7,457)
Non-GAAP adjusted net income	\$ 182,371	\$ 214,636	\$ 221,655	\$ 219,951	\$ 838,613
GAAP reported net income per diluted share	0.75	1.50	2.41	2.64	7.30
Non-GAAP adjusted net income per diluted share	2.98	3.49	3.58	3.64	13.70
Weighted-average ordinary shares used in diluted per share calculation	61,178	61,438	61,857	60,413	61,221

Explanation of Adjustments and Certain Line Items (in thousands):

(a) Relates to a civil settlement agreement with the U.S. Department of Justice and the Office of the Inspector General.

(b) Resulting from the company's sale of its rights related to Prialt® (ziconotide) intrathecal infusion.

(c) Relates to milestone payments following the U.S. Food and Drug Administration's acceptance of our New Drug Application for solriamfetol in March 2018. □

JAZZ PHARMACEUTICALS PLC
RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION
CERTAIN LINE ITEMS - 2018 BY QUARTER

Period	In thousands (Unaudited)	Cost of product sales	Selling, general and administrative	Research and development	Intangible asset amortization	Impairment charges	Interest expense, net	Income tax provision (benefit)
2018	GAAP Reported	\$ 121,544	\$ 683,530	\$ 226,616	\$ 201,498	\$ 42,896	\$ 77,075	\$ 80,162
	Non-GAAP Adjustments							
	Intangible asset amortization	-	-	-	(201,498)	-	-	-
	Share-based compensation expense	(6,634)	(76,770)	(19,037)	-	-	-	-
	Loss contingency	-	(57,000)	-	-	-	-	-
	Impairment charges and disposal costs	-	(1,073)	-	-	(42,896)	-	-
	Upfront & milestone payments	-	-	(11,000)	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	(43,960)	-
	Income tax effect of above adjustments	-	-	-	-	-	-	60,896
	U.S. Tax Act impact	-	-	-	-	-	-	7,457
	Total of Non-GAAP adjustments	(6,634)	(134,843)	(30,037)	(201,498)	(42,896)	(43,960)	68,353
	Non-GAAP Adjusted	\$ 114,910	\$ 548,687	\$ 196,579	\$ -	\$ -	\$ 33,115	\$ 148,515
4Q18	GAAP Reported	\$ 26,337	\$ 161,865	\$ 56,657	\$ 46,543	\$ -	\$ 17,904	\$ 5,144
	Non-GAAP Adjustments							
	Intangible asset amortization	-	-	-	(46,543)	-	-	-
	Share-based compensation expense	(1,612)	(19,758)	(5,353)	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	(11,291)	-
	Income tax effect of above adjustments	-	-	-	-	-	-	13,751
	U.S. Tax Act impact	-	-	-	-	-	-	10,325
	Total of Non-GAAP adjustments	(1,612)	(19,758)	(5,353)	(46,543)	-	(11,291)	24,076
	Non-GAAP Adjusted	\$ 24,725	\$ 142,107	\$ 51,304	\$ -	\$ -	\$ 6,613	\$ 29,220
3Q18	GAAP Reported	\$ 26,574	\$ 155,873	\$ 51,160	\$ 46,989	\$ -	\$ 18,920	\$ 19,348
	Non-GAAP Adjustments							
	Intangible asset amortization	-	-	-	(46,989)	-	-	-
	Share-based compensation expense	(1,525)	(18,978)	(4,600)	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	(11,165)	-
	Income tax effect of above adjustments	-	-	-	-	-	-	13,786
	U.S. Tax Act impact	-	-	-	-	-	-	(2,868)
	Total of Non-GAAP adjustments	(1,525)	(18,978)	(4,600)	(46,989)	-	(11,165)	10,918
	Non-GAAP Adjusted	\$ 25,049	\$ 136,895	\$ 46,560	\$ -	\$ -	\$ 7,755	\$ 30,266
2Q18	GAAP Reported	\$ 34,714	\$ 158,579	\$ 56,132	\$ 54,959	\$ 42,896	\$ 19,646	\$ 36,524
	Non-GAAP Adjustments							
	Intangible asset amortization	-	-	-	(54,959)	-	-	-
	Share-based compensation expense	(1,803)	(19,800)	(4,709)	-	-	-	-
	Impairment charges and disposal costs	-	(1,073)	-	-	(42,896)	-	-
	Non-cash interest expense	-	-	-	-	-	(10,887)	-
	Income tax effect of above adjustments	-	-	-	-	-	-	13,812
	Total of Non-GAAP adjustments	(1,803)	(20,873)	(4,709)	(54,959)	(42,896)	(10,887)	13,812
	Non-GAAP Adjusted	\$ 32,911	\$ 137,706	\$ 51,423	\$ -	\$ -	\$ 8,759	\$ 50,336
1Q18	GAAP Reported	\$ 33,919	\$ 207,213	\$ 62,667	\$ 53,007	\$ -	\$ 20,605	\$ 19,146
	Non-GAAP Adjustments							
	Intangible asset amortization	-	-	-	(53,007)	-	-	-
	Share-based compensation expense	(1,694)	(18,234)	(4,375)	-	-	-	-
	Loss contingency	-	(57,000)	-	-	-	-	-
	Upfront & milestone payments	-	-	(11,000)	-	-	-	-
	Non-cash interest expense	-	-	-	-	-	(10,617)	-
	Income tax effect of above adjustments	-	-	-	-	-	-	19,547
	Total of Non-GAAP adjustments	(1,694)	(75,234)	(15,375)	(53,007)	-	(10,617)	19,547
	Non-GAAP Adjusted	\$ 32,225	\$ 131,979	\$ 47,292	\$ -	\$ -	\$ 9,988	\$ 38,693