

**ANI Pharmaceuticals, Inc. and Subsidiaries**  
**Table 1: US GAAP Income Statement**  
*(unaudited, in thousands, except per share amounts)*

	Three months ended December 31,		Year ended December 31,	
	2015	2014	2015	2014
Net Revenues	\$ 18,035	\$ 21,037	\$ 76,322	\$ 55,970
Operating Expenses				
Cost of sales (excl. depreciation and amortization)	3,540	3,673	12,692	11,473
Research and development	661	568	2,874	2,678
Selling, general and administrative	5,455	4,742	21,156	17,935
Depreciation and amortization	2,111	1,282	6,900	3,878
Total Operating Expenses	11,767	10,265	43,622	35,964
Operating Income	6,268	10,772	32,700	20,006
Other Expense, Net				
Interest expense, net	(2,768)	(800)	(11,008)	(787)
Other income, net	1	88	41	160
Income Before (Provision for)/Benefit from Income Taxes	3,501	10,060	21,733	19,379
(Provision for)/Benefit from Income Taxes	(625)	10,946	(6,358)	9,368
Net Income	\$ 2,876	\$ 21,006	\$ 15,375	\$ 28,747
<b>Basic Earnings Per Share</b>				
Basic Earnings Per Share	\$ 0.25	\$ 1.85	\$ 1.34	\$ 2.61
Diluted Earnings Per Share	\$ 0.25	\$ 1.82	\$ 1.32	\$ 2.59
Basic Weighted-Average Shares Outstanding	11,423	11,287	11,370	10,941
Diluted Weighted-Average Shares Outstanding	11,552	11,476	11,557	11,053

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**Table 2: Adjusted non-GAAP EBITDA Calculation and US GAAP to Non-GAAP Reconciliation**  
*(unaudited, in thousands)*

	Three months ended December 31,		Year ended December 31,	
	2015	2014	2015	2014
Operating Income	\$6,268	\$10,772	\$32,700	\$20,006
Add back				
Depreciation and amortization	2,111	1,282	6,900	3,878
Add back				
Stock-based compensation	1,139	704	3,856	3,423
Adjusted non-GAAP EBITDA	<u>\$9,518</u>	<u>\$12,758</u>	<u>\$43,456</u>	<u>\$27,307</u>

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**Table 3: Adjusted non-GAAP Net Income and Adjusted non-GAAP Net Income per Diluted Share Reconciliation**

*(unaudited, in thousands, except per share amounts)*

	Three months ended December 31,		Year ended December 31,	
	2015	2014	2015	2014
Net Income	\$ 2,876	21,006	\$ 15,375	\$ 28,747
Add back				
Tax provision	625	(10,946)	6,358	(9,368)
Depreciation and amortization expense	2,111	1,282	6,900	3,878
Non-cash interest expense	1,722	560	6,831	560
Stock-based compensation	1,139	704	3,856	3,423
Excess of Fair Value over Cost of Acquired Inventory	-	10	-	29
Less				
Current portion of tax provision	(2,431)	(3,163)	(7,875)	(4,307)
Adjusted non-GAAP Net Income	\$ 6,042	\$ 9,453	\$ 31,445	\$ 22,962
Diluted Weighted-Average Shares Outstanding	11,552	11,476	11,557	11,053
Adjusted non-GAAP Net Income Per Diluted Share	\$ 0.52	\$ 0.82	\$ 2.72	\$ 2.08