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FORM 10-K

Catalent, Inc. - CTLT

Filed: September 02, 2015 (period: June 30, 2015)

Annual report with a comprehensive overview of the company

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended June 30, 2015
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 001-36587

CATALENT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-8737688**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
14 Schoolhouse Road **Somerset, New Jersey**	**08873**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (732) 537-6200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐		Accelerated filer	☐
Non-accelerated filer	☒	(Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of December 31, 2014, the aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates was $1.4 billion. On September 1, 2015 there were 124,519,427 shares of the Registrant's Common Stock, par value $0.01 per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement relating to the 2015 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

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CATALENT, INC.

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For the Year Ended June 30, 2015

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PART I

Special Note Regarding Forward-Looking Statements

In addition to historical information, this Annual Report on Form 10-K of Catalent, Inc. ("Catalent" or the "Company") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts, included in this Annual Report on Form 10-K are forward-looking statements. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words.

These statements are based on assumptions and assessments made by our management in light of their experience and, their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statement is subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements.

Some of the factors that may cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements include, but are not limited to, those described under the section entitled "Risk Factors" in this Annual Report on Form 10-K for the fiscal year ended June 30, 2015 and the following:

- We participate in a highly competitive market, and increased competition may adversely affect our business.
- The demand for our offerings depends in part on our customers' research and development and the clinical and market success of their products. Our business, financial condition and results of operations may be harmed if our customers spend less on, or are less successful, in these activities.
- We are subject to product and other liability risks that could adversely affect our results of operations, financial condition, liquidity, and cash flows.
- Failure to comply with existing and future regulatory requirements could adversely affect our results of operations and financial condition.
- Failure to provide quality offerings to our customers could have an adverse effect on our business and subject us to regulatory actions and costly litigation.
- The services and offerings we provide are highly exacting and complex, and if we encounter problems providing the services or support required, our business could suffer.
- Our global operations are subject to economic, political and regulatory risks.
- If we do not enhance our existing or introduce new technology or service offerings in a timely manner, our offerings may become obsolete over time, customers may not buy our offerings and our revenue and profitability may decline.
- We and our customers depend on patents, copyrights, trademarks, trade secrets and other forms of intellectual property protections, but these protections may not be adequate.
- Our future results of operations are subject to fluctuations in the costs, availability, and suitability of the components of the products we manufacture, including active pharmaceutical ingredients, excipients, purchased components, and raw materials.
- Changes in market access or healthcare reimbursement for our customers' products in the United States or internationally could adversely affect our results of operations and financial condition by affecting demand for our offerings.
- As a global enterprise, fluctuations in the exchange rate of the U.S. dollar against foreign currencies could have a material adverse effect on our financial performance and results of operations.

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- Tax legislation initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.
- Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.
- We are dependent on key personnel.
- Risks generally associated with information and communications systems could adversely affect our results of operations.
- We have in the past engaged and may in the future engage in acquisitions and other transactions that may complement or expand our business or divest of non-strategic businesses or assets. We may not be able to complete such transactions, and such transactions, if executed, pose significant risks and could have a negative effect on our operations.
- Our offerings and our customers' products may infringe on the intellectual property rights of third parties.
- We are subject to environmental, health and safety laws and regulations, which could increase our costs and restrict our operations in the future.
- We are subject to labor and employment laws and regulations, which could increase our costs and restrict our operations in the future.
- Certain of our pension plans are underfunded, and additional cash contributions we may make will reduce the cash available for our business, such as the payment of our interest expense.
- Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our industry, expose us to interest-rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness.
- Affiliates of The Blackstone Group L.P. ("Blackstone") have substantial influence over us and their interests may conflict with ours or yours in the future.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Social Media

We use our website (www.catalent.com), our corporate Facebook page (https://www.facebook.com/CatalentPharmaSolutions) and our corporate Twitter account (@catalentpharma) as channels of distribution of Company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, Securities and Exchange Commission ("SEC") filings and public conference calls and webcasts. The contents of our website and social media channels are not, however, a part of this report.

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Trademarks and Service Marks

We have U.S. or foreign registration in the following marks, among others: "ADVASEPT®," "OptiForm®," "GPEx®," "Liqui-Gels®," "Vegicaps®," "Zydis®," and "Zydis®Nano"**.** This Annual Report on Form 10-K also includes trademarks and trade names owned by other parties, and these trademarks and trade names are the property of their respective owners. We use certain other trademarks and service marks, including OptiShell™, OptiDose™, OptiMelt™, OptiPact™, SMARTag™, OptiGel™, OptiGel™ Bio, Easyburst™, Savorgel™, Galacorin™ and Softdrop™ on an unregistered basis in the United States and abroad.

Solely for convenience, the trademarks, service marks and trade names identified in this Annual Report on Form 10-K may appear without the ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, and trade names.

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ITEM 1. BUSINESS

Overview

We are the leading global provider of advanced delivery technologies and development solutions for drugs, biologics and consumer health products. Our oral, injectable, and respiratory delivery technologies address the full diversity of the pharmaceutical industry including small molecules, large molecule biologics and consumer health products. Through our extensive capabilities and deep expertise in product development, we help our customers take products to market faster, including nearly half of new drug products approved by the Food and Drug Administration (the "FDA") in the last decade. Our advanced delivery technology platforms, broad and deep intellectual property, and proven formulation, manufacturing and regulatory expertise enable our customers to develop more products and better treatments. Across both development and delivery, our commitment to reliably supply our customers' needs is the foundation for the value we provide; annually, we produce more than 70 billion doses for nearly 7,000 customer products. We believe that through our investments in growth-enabling capacity and capabilities, our ongoing focus on operational and quality excellence, the sales of existing customer products, the introduction of new customer products, our patents and innovation activities, and our entry into new markets, we will continue to benefit from attractive and differentiated margins, and realize the growth potential from these areas.

Since 2010, we have made investments to expand our sales and marketing activities, leading to growth in the number of active development programs for our customers in both of our two main strategic areas. This has further enhanced our extensive, long-duration relationships and long-term contracts with a broad and diverse range of industry-leading customers. In the fiscal year ended June 30, 2015, we did business with 82 of the top 100 branded drug marketers, 19 of the top 20 generics marketers, 40 of the top 50 biologics marketers, and 23 of the top 25 consumer health marketers globally. Selected key customers include Pfizer, Johnson & Johnson, GlaxoSmithKline, Novartis, Roche, Actavis and Teva. We have many long-standing relationships with our customers, particularly in advanced delivery technologies, where we tend to follow a prescription molecule through all phases of its lifecycle, from the original brand prescription, development and launch to generics or over-the-counter switch. A prescription pharmaceutical product relationship with an innovator will often last for nearly two decades, extending from mid-clinical development through the end of the product's life cycle. We serve customers who require innovative product development, superior quality, advanced manufacturing and skilled technical services to support their development and marketed product needs. Our broad and diverse range of technologies closely integrates with our customers' molecules to yield final dose forms, and this generally results in the inclusion of Catalent in our customers' prescription product regulatory filings. Both of these factors translate to long-duration supply relationships at an individual product level.

We believe our customers value us because our depth of development solutions and advanced delivery technologies, intellectual property, consistent and reliable supply, geographic reach, and substantial expertise enable us to create a broad range of business and product solutions that can be customized to fit their individual needs. Today we employ approximately 900 scientists and technicians and hold approximately 1,300 patents and patent applications in advanced delivery, drug and biologics formulation and manufacturing. The aim of our offerings is to allow our customers to bring more products to market faster, and develop and market differentiated new products that improve patient outcomes. We believe our leading market position, significant global scale, and diversity of customers, offerings, regulatory categories, products, and geographies reduce our exposure to potential strategic and product shifts within the industry.

We provide a number of proprietary, differentiated technologies, products and service offerings to our customers across our advanced delivery technologies and development solutions platforms. The core technologies within our advanced delivery technologies platform include softgel capsules, our Zydis oral dissolving tablets, blow-fill-seal unit dose liquids and a range of other oral, injectable and respiratory technologies. The technologies and service offerings within our development solutions platform span the drug development process, ranging from OptiForm formula optimization technology, Micron Technologies particle size engineering for small molecules, and GPEx and SMARTag platforms for development of biologics and antibody-drug conjugates (ADCs), to formulation, analytical services, early stage clinical development, clinical trials supply and regulatory consulting. Our offerings serve a critical need in the development and manufacturing of difficult-to-formulate products across a number of product types.

We have advanced our technologies and grown our service offerings over more than 80 years through internal development, strategic alliances, in-licensing and acquisitions. We initially introduced our softgel capsule technology in the 1930s and have continued to expand our range of new, technologically enhanced offerings. Since fiscal 2013, we have launched OptiShell, OptiDose, OptiMelt, Zydis Nano and Zydis Bio, and in fiscal 2015 we launched OptiPact. To extend the reach of our technologies and services, we have also formed several active partnerships, including recent partnerships with BASF (Germany), CEVEC (Germany), and CTC Bio (South Korea), and have active relationships with research universities around the world. We have also augmented our portfolio through nine acquisitions since fiscal 2012, including significantly expanding

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the scale of our Development and Clinical Services business through the acquisition of the Aptuit CTS business in February 2012, adding an ADC business through the completion of our acquisition of the Redwood BioScience business in October 2014, and extending our particle engineering capabilities via our November 2014 acquisition of Micron Technologies, a leader in the category. We believe our own internal innovation, supplemented by current and future external partnerships and acquisitions, will continue to strengthen and extend our leadership positions in the delivery and development of drugs, biologics and consumer health products.

History

Catalent was formed in April 2007, when affiliates of Blackstone acquired the core of the Pharmaceutical Technologies and Services ("PTS") segment of Cardinal Health, Inc. ("Cardinal"). Cardinal had created PTS through a series of acquisitions beginning with R.P. Scherer Corporation in 1998, with the intent of creating the world's leading outsourcing provider of specialized, market-leading solutions to the global pharmaceutical and biotechnology industry. We are a holding company that indirectly owns Catalent Pharma Solutions, Inc. (the "Operating Company"), which owns, directly or indirectly, all of our operating subsidiaries. Since our 2007 acquisition, we have regularly reviewed our portfolio of offerings and operations in the context of our strategic growth plan, and, as a result, we have sold five businesses and consolidated operations at four facilities, integrating them into the remaining facility network. We have also actively acquired new businesses and facilities, completing nine transactions since fiscal 2012. In July 2014, we completed the initial public offering of our common stock (the "IPO"), which is now listed on the New York Stock Exchange (the "NYSE") under the symbol "CTLT."

Our Competitive Strengths

Leading Provider of Advanced Delivery Technologies and Development Solutions

We are the leading global provider of advanced delivery technologies and development solutions for drugs, biologics and consumer health products. In the last decade, we have earned revenue with respect to nearly half of the drugs based on new chemical entities ("NCEs") approved by the FDA, and over the past three years with respect to nearly 80% of the top 200 largest-selling compounds globally. With approximately 900 scientists and technicians worldwide and approximately 1,300 patents and patent applications, our expertise is in providing differentiated technologies and solutions that help our customers bring more products and better treatments to market faster. For example, in the high-value area of NCEs, approximately 90% of NCE softgel approvals by the FDA over the last 25 years have been developed and supplied by us.

Diversified Operating Platform

We are diversified by virtue of our geographic scope, our large customer base, the extensive range of products we produce, our broad service offerings, and our ability to provide solutions at nearly every stage of a product's lifecycle. We produce nearly 7,000 distinct items across multiple categories, including brand and generic prescription drugs and biologics, over-the-counter, consumer health and veterinary products, medical devices and diagnostics. In fiscal 2015, our top 20 products represented approximately 20% of total revenue, with no single customer accounting for greater than 10% of revenue and with no individual product greater than 3%. We serve approximately 1,000 customers in approximately 80 countries, with a majority of our fiscal 2015 revenues coming from outside the United States. This diversity, combined with long product lifecycles and close customer relationships, has contributed to the stability of our business. It has also allowed us to reduce our exposure to potential strategic, customer and product shifts as well as to payer-driven pricing pressures experienced by our branded drug and biologic customers.

Longstanding, Extensive Relationships with Blue Chip Customers

We have longstanding, extensive relationships with leading pharmaceutical and biotechnology customers. In fiscal 2015, we did business with 82 of the top 100 branded drug marketers, 19 of the top 20 generics marketers, 40 of the top 50 biologics marketers, and 23 of the top 25 consumer health marketers globally, as well as with nearly 1,000 other customers, including emerging and specialty companies, which are often more reliant on outside partners as a result of their more virtual business models. Regardless of size, our customers seek innovative product development, superior quality, advanced manufacturing and skilled technical services to support their development and marketed product needs.

We believe our customers value us because our depth of development solutions and advanced delivery technologies, consistent and reliable supply, geographic reach and substantial expertise enable us to create a broad range of tailored solutions, many of which are unavailable from other individual providers.

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Deep, Broad and Growing Technology Foundation

Our breadth of proprietary and patented technologies and long track record of innovation substantially differentiate us from other industry participants. Within our oral technologies business, our leading softgel platforms, including Liqui-Gels, OptiShell and Vegicaps capsules, and our modified release technologies, including the Zydis family, OptiDose and OptiMelt technologies, provide formulation expertise to solve complex delivery challenges for our customers. We offer advanced technologies for delivery of small molecules and biologics via respiratory, ophthalmic and injectable routes, including the blow-fill-seal unit dose technology, ADVASEPT glass-free vials, and prefilled syringes. We also provide advanced biologics formulation options, including Gene Product Expression ("GPEx") cell-line and SMARTag antibody-drug conjugate technologies. We have a market leadership position within respiratory delivery, including metered dose and dry powder inhalers, and intra-nasal forms. We have reinforced our leadership position in advanced delivery technologies over the last three years, as we have launched more than a dozen new technology platforms and applications, including in fiscal 2015 the addition of particle size engineering technologies for small molecules through our acquisition of Micron Technologies, a recognized market leader in the space. Our culture of creativity and innovation is grounded in our advanced delivery technologies, our scientists and engineers, and our patents and proprietary manufacturing processes throughout our global network. Our global product development team drives a focused application of resources to our highest priority opportunities for both new customer product introductions and platform technology development. As of June 30, 2015, we had approximately 700 product development programs in active development across our businesses.

Long-Duration Relationships Provide Sustainability

Our broad and diverse range of technologies closely integrates with our customers' molecules to yield final dose forms, and this generally results in the inclusion of Catalent in our customers' prescription product regulatory filings. Both of these factors translate to long-duration supply relationships at an individual product level, to which we apply our expertise in contracting to produce long-duration commercial supply agreements. These agreements typically have initial terms of three to ten years with regular renewals of one to three years (see "Contractual Arrangements" for more detail). Nearly 70% of our fiscal 2015 advanced delivery technology platform revenues (comprised of our Oral Technologies and Medication Delivery Solutions reporting segments) were covered by such long-term contractual arrangements. We believe this base provides us with a sustainable competitive advantage.

Significant Recent Growth Investments

We have made significant investments over time to establish a global manufacturing network, and today employ 5.1 million square feet of manufacturing and laboratory space across five continents. We have invested approximately $577 million in the last five fiscal years in gross capital expenditures. Growth-related investments in facilities, capacity and capabilities across our businesses have positioned us for future growth in areas aligned with anticipated future demand. Through our focus on operational, quality and regulatory excellence, we drive ongoing and continuous improvements in safety, productivity and reliable supply to customer expectations, which we believe further differentiate us. Our manufacturing network and capabilities allow us the flexibility to reliably supply the changing needs of our customers while consistently meeting their quality, delivery and regulatory compliance expectations.

High Standards of Regulatory Compliance and Operational and Quality Excellence

We operate our plants in accordance with current good manufacturing practices ("cGMP"), following our own high standards that are consistent with those of many of our large global pharmaceutical and biotechnology customers. We have more than 1,100 employees around the globe focused on quality and regulatory compliance. More than half of our facilities are registered with the FDA, with the remaining facilities registered with other applicable regulatory agencies, such as the European Medicines Agency (the "EMA"). In some cases, facilities are registered with multiple regulatory agencies. In fiscal 2015, we underwent 65 regulatory audits and, over the last five fiscal years, we successfully completed more than 250 regulatory audits. We also undergo nearly 500 customer and internal audits annually. We believe our quality and regulatory track record to be a competitive differentiator for Catalent.

Strong and Experienced Management Team

Most of our executive leadership team has been in place since fiscal 2010. Today, our management team has more than 200 years of combined and diverse experience within the pharmaceutical and healthcare industries. With an average of more than 20 years of functional experience, this team possesses deep knowledge and a wide network of industry relationships.

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Our Strategy

We are pursuing the following key growth initiatives:

"Follow the Molecule" by Providing Solutions to our Customers across all Phases of the Product Lifecycle

We intend to use our advanced delivery technologies and development solutions across the entire lifecycle of our customers' products to drive future growth. Our development solutions span the drug development process, starting with our platforms for development of small molecules, biologics and antibody-drug conjugates, to formulation and analytical services, through early stage clinical development and manufacturing of clinical trials supply, to regulatory consulting. Once a molecule is ready for late-stage trials and subsequent commercialization, we provide our customers with a range of advanced delivery technologies and manufacturing expertise that allow them to deliver their molecules to the end-users in appropriate dosage forms. The relationship between a molecule and our advanced delivery technologies typically starts with developing and manufacturing the innovator product, then extends throughout the molecule's commercial life, including through potential generic launches or over-the-counter ("OTC") conversion. For prescription products, we are typically the sole and/or exclusive provider, and are reflected in customers' new drug applications.

Our breadth of solutions gives us multiple entry points into the lifecycle of our customers' molecules. Our initial commercial opportunity arises during the discovery and development of a molecule, when our development and particle engineering solutions can be applied. Once a product reaches late-stage development, we can provide our customers with drug delivery solutions for the commercialization of their products. We have two additional entry points during the commercial phase: upon loss-of-exclusivity and upon OTC conversion. At these points, we partner with the makers and marketers of both generic and OTC products to provide them with advanced delivery technologies that can be applied to their products through these stages of the product lifecycle. Our revenues from our advanced delivery technologies are primarily driven by volumes and, as a result, the loss of exclusivity may not have a significant negative impact if we continue to work with both branded and generic partners.

An example of this can be found in a leading over-the-counter respiratory brand, which today uses both our Zydis fast dissolve and our Liqui-Gels softgel technologies. We originally began development of the prescription format of this product for our multinational pharmaceutical company partner in 1992 to address specific patient sub-segment needs. After four years of development, we then commercially supplied the prescription Zydis product for six years, and we continue to provide the Zydis form during the switch to OTC status in the United States and other markets in the early 2000s. More recently, we proactively brought a softgel product concept for the brand to the customer, which the customer elected to develop and launch as well. By following this molecule, we have built a strong, 24-year long relationship across multiple formats and markets.

Continue to Grow Through New Product Launches and Projects

We intend to grow by supplementing our existing diverse base of commercialized advanced delivery technology products with new development programs. As of June 30, 2015, our product development teams were working on approximately 700 new customer programs. Our base of active development programs has expanded in recent years from growing market demand, as well as from our investments since 2010 to expand our global sales and marketing function; once developed and approved in the future, we expect these programs to add to long-duration commercial revenues under long-term contracts and grow our existing product base. In the year ended June 30, 2015, we introduced 165 new products, which is in line with new product introductions in the year ended June 30, 2014. We also expect that our expanded offerings and capacity such as bioanalytical testing and metered dose inhaler production, our acquisition of Micron Technologies, our expanded presence in Brazil, and our market entry into China will further expand our active advanced delivery technologies development programs, and position us for future growth. Our development solutions business is driven by thousands of projects annually, ranging from individual short-duration analytical projects to multi-year clinical supply programs.

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Accelerate Growth with Existing Customers through Increased Penetration and Broadening of Services

While we have a broad presence across the pharmaceutical and biotechnology industries, we believe there are significant opportunities for additional revenue growth in our existing customer base, by providing advanced delivery solutions for new pipeline or commercial molecules, and by expanding the range and depth of our development solutions used by those customers. Within our top 50 customers, nearly 75% use less than half of our individual offerings. In order to ensure we provide the most value to our customers, we have increased our field sales and marketing force by approximately 20% since fiscal 2009. We have continued to follow a targeted account strategy, designating certain accounts as global accounts, based on current materiality, partnering approach and growth potential. We also designate other accounts as growth accounts, based primarily on partnering approach and potential to become global accounts in the future. In both cases, we assign incremental business development product development resources to identify and pursue new opportunities to partner. Global accounts represented nearly 32% of our revenues in fiscal 2015, while growth accounts represented approximately 9% of revenues in that same period.

Enter Into and Expand Into Attractive Technologies and Geographies

We have made a number of internal investments in new geographies and markets, including the construction of a state-of-the-art biomanufacturing facility in Wisconsin to serve the growing global biologics development market, the acquisition of particle engineering provider Micron Technologies to extend our drug solubility enhancement capabilities, and the acquisition of the SMARTag™ antibody-drug conjugate technology to address the growing need for improved targeted delivery of therapeutic compounds directly to tumor sites.

In addition, we intend to increase our presence in emerging/high-growth geographies and other markets where we are currently only narrowly represented, including China, Brazil, Japan, and the animal health market. We have made recent investments in such high-growth areas, including the establishment of the first provider in China of end-to-end clinical supply solutions, and a softgel facility in China focused initially on the export of cost-advantaged consumer health products, as well as our acquisition of a Brazilian softgel provider in fiscal 2014.

Capitalize on Our Substantial Technology Platform

We have a broad and diverse technology platform that is supported by approximately 1,300 patents and patent applications in more than 125 families across advanced delivery technologies, drug and biologics formulation and manufacturing. This platform is supported by substantial know-how and trade secrets that provide us with additional competitive advantages. For example, we have significant softgel fill and formulation databases and substantial softgel regulatory approval expertise, and as a result, approximately 90% of NCE softgel approvals by the FDA over the last 25 years have been developed and supplied by us.

In addition to resolving product challenges for our customers' molecules, for more than two decades we have applied our technology platforms and development expertise to proactively develop proof of concept products, whether improved versions of existing drugs, new generic formulations or innovative consumer health products. In the consumer health area, we file product dossiers with regulators in relevant jurisdictions for Catalent-created products, which help contribute sustainable growth to our consumer health business. We expect to continue to seek proactive development and other non-traditional relationships to increase demand for and value realized from our technology platforms. These activities have provided us with opportunities to capture an increased share of end-market value through out-licensing, profit-sharing and other arrangements.

Leverage Existing Infrastructure and Operational Discipline to Drive Profitable Growth

Through our existing infrastructure, including our global network of operating locations and programs, we promote operational discipline and drive margin expansion. With our Lean Six Sigma programs, a global procurement function and conversion cost productivity metrics in place, we have created a culture of functional excellence and cost accountability. We intend to continue to apply this discipline to further leverage our operational network for profitable growth. Since fiscal 2009, we have expanded gross margin by over 600 basis points and Adjusted EBITDA margin by over 400 basis points.

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Pursue Strategic Acquisitions and Licensing to Build upon our Existing Platform

We operate in highly fragmented markets in both our advanced delivery technologies and development solutions businesses. Within those markets, the five top players represent only 30% and 10% of the total market share, respectively, by revenue. Our broad platform, global infrastructure and diversified customer base provide us with a strong foundation from which to consolidate within these markets and to generate operating leverage through such acquisitions. Since fiscal 2012, we have executed nine transactions, investing more than $700 million, and have demonstrated an ability to efficiently and effectively integrate these acquisitions.

We intend to continue to opportunistically source and execute bolt-on acquisitions within our existing business areas, as well as to undertake transactions that provide us with expansion opportunities within new geographic markets or adjacent market segments. We have a dedicated corporate development team in place to identify these opportunities and have a rigorous and financially disciplined process for evaluating, executing and integrating such acquisitions.

Our Reportable Segments

Our offerings and services are summarized below by reporting segment.

Segment	Offerings and Services		Fiscal 2015 Revenue*
(Dollars in millions)			
Oral Technologies	Formulation, development and manufacturing of prescription and consumer health products using our proprietary softgel, Liqui-Gels, Vegicaps, OptiShell, OptiDose, OptiMelt, OptiPact, and Zydis technologies; as well as other proprietary and conventional oral drug delivery technologies.	$	1,141.1
Medication Delivery Solutions	Formulation, development, and manufacturing for prefilled syringes and other injectable formats; blow-fill-seal unit dose development and manufacturing, including our ADVASEPT technology; and biologic cell line development and manufacturing, including our GPEx and SMARTag technologies.	$	261.9
Development & Clinical Services	Manufacturing, packaging, storage, distribution and inventory management for global clinical trials of drugs and biologics; analytical and bioanalytical development and testing; scientific consulting services; development services and manufacturing for conventional oral dose forms; and development and manufacturing of products.	$	438.8

*Segment Revenue includes inter-segment revenue of $11.0 million.

This table should be read in conjunction with Note 17 to the Consolidated Financial Statements.

Oral Technologies

Our Oral Technologies segment provides advanced oral delivery technologies, including formulation, development and manufacturing of oral dose forms for prescription and consumer health products across all phases of a molecule's lifecycle. These oral dose forms include softgel, modified release technologies ("MRT") and immediate release solid oral products. At certain facilities we also provide integrated primary packaging services for the products we manufacture. In fiscal 2015, we generated approximately $787.5 million in revenue from our softgel products and approximately $391.5 million in revenue from our MRT products (including intra-segment revenue of approximately $37.9 million).

Through our Softgel Technologies business, we provide formulation, development and manufacturing services for soft gelatin capsules, or "softgels," which we first commercialized in the 1930s and have continually enhanced. We are the market leader in overall softgel manufacturing, and hold the leading market position in the prescription arena. Our principal softgel technologies include traditional softgel capsules (in which the shell is made from animal-derived materials) and Vegicaps and OptiShell capsules (in which the shell is made from vegetable-derived materials), which are used in a broad range of customer products including prescription drugs, over-the-counter medications, and vitamins and supplements. Softgel capsules encapsulate liquid, paste or oil-based active compounds in solution or suspension within an outer shell, filling and sealing the capsule simultaneously. We typically perform all encapsulation for a product within one of our softgel facilities, with active ingredients provided by customers or sourced directly by us. Softgels have historically been used to solve formulation challenges or technical issues for a specific drug, to help improve the clinical performance of compounds, to provide important market differentiation, particularly for over-the-counter compounds, and to provide safe handling of hormonal, potent and cytotoxic drugs. We also participate in the softgel vitamin, mineral and supplement business in selected regions around the

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world. With the 2001 introduction of our vegetable-derived softgel shell, Vegicaps capsules, consumer health manufacturers have been able to extend the softgel dose form to a broader range of active ingredients and serve patient/consumer populations that were previously inaccessible due to religious, dietary or cultural preferences. In recent years this platform has been extended to pharmaceutical active ingredients via the OptiShell platform. Our Vegicaps and OptiShell capsules are patent protected in most major global markets. Physician and patient studies we have conducted have demonstrated a preference for softgels versus traditional tablet and hard capsule dose forms in terms of ease of swallowing, real or perceived speed of delivery, ability to remove or eliminate unpleasant odor or taste and, for physicians, perceived improved patient adherence with dosing regimens.

Through our Modified Release Technologies business we provide formulation, development and manufacturing services for fast-dissolve tablets and both proprietary and conventional controlled release products. We launched our orally dissolving tablet business in 1986 with the introduction of Zydis tablets, a unique oral dosage form that is freeze-dried in its package, can be swallowed without water, and typically dissolves in the mouth in less than three seconds. Most often used for indications, drugs and patient groups that can benefit from rapid oral disintegration, the Zydis technology is utilized in a wide range of products and indications, including treatments for a variety of central nervous system-related conditions such as migraines, Parkinson’s Disease, schizophrenia, and pain relief and consumer healthcare products targeting allergy relief. Zydis tablets continue to be used in new ways by our customers as we extend the application of the technology to new categories, such as for immunotherapies, vaccines and biologics delivery. More recently we have added two new technology platforms to the Modified Release Technologies business portfolio, including the highly flexible OptiDose tab-in-tab technology, already commercially proven in Japan and the OptiMelt hot melt extrusion technology. We plan to continue to expand the development pipeline of customer products for all of our Modified Release Technologies products. Representative Oral Technologies business customers include Pfizer, Novartis, GlaxoSmithKline, Eli Lilly, Johnson & Johnson and Allergan.

Medication Delivery Solutions

Our Medication Delivery Solutions segment provides formulation, development and manufacturing services for delivery of drugs and biologics, administered via injection, inhalation and ophthalmic routes, using both traditional and advanced technologies. Our range of injectable manufacturing offerings includes filling drugs or biologics into pre-filled syringes, with flexibility to accommodate other formats within our existing network, increasingly focused on complex pharmaceuticals and biologics. With our range of technologies we are able to meet a wide range of specifications, timelines and budgets. The complexity of the manufacturing process, the importance of experience and know-how, regulatory compliance, and high start-up capital requirements create significant barriers to entry and, as a result, limit the number of competitors in the market. For example, blow-fill-seal is an advanced aseptic processing technology which uses a continuous process to form, fill with drug, and seal a plastic container in a sterile environment. Blow-fill-seal units are currently used for a variety of pharmaceuticals in liquid form, such as respiratory, ophthalmic and otic products. We are a leader in the outsourced blow-fill-seal market, and operate one of the largest capacity commercial manufacturing blow-fill-seal facilities in the world. Our sterile blow-fill-seal manufacturing has significant capacity and flexibility of manufacturing configurations. This business provides flexible and scalable solutions for unit-dose delivery of complex formulations such as suspensions and emulsions. Further, the business provides engineering and manufacturing solutions related to complex containers. Our regulatory expertise can lead to decreased time to commercialization, and our dedicated development production lines support feasibility, stability and clinical runs. In fiscal 2015, we announced the completion and opening of a large-scale expansion at our Winchester, KY manufacturing facility, doubling its footprint to 180,000 square feet and substantially expanding its capacity to handle fluid bed and other complex manufacturing tasks in the business segment. We plan to continue to expand our product line in existing and new markets, and in higher margin specialty products with additional respiratory, ophthalmic, injectable and nasal applications. Representative customers include Pfizer, Sanofi-Aventis, Novartis, Roche and Teva.

Our biologics offerings include our formulation development and cell-line manufacturing based on our advanced and patented GPEx technology, which is used to develop stable, high-yielding mammalian cell lines for both innovator and bio-similar biologic compounds. Our GPEx technology can provide rapid cell line development, high biologics production yields, flexibility and versatility. We believe our development stage SMARTag next-generation antibody-drug conjugate technology will provide more precision targeting for delivery of drugs to tumors or other locations, with improved safety versus existing technologies. In fiscal 2013, we launched our recently completed biologics facility in Madison, Wisconsin, with expanded capability and capacity to produce clinical-scale biologic supplies; combined with offerings from our other businesses and external partners, we now provide the broadest range of technologies and services supporting the development and launch of new biologic entities, biosimilars or biobetters to bring a product from gene to market commercialization, faster.

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Development and Clinical Services

Our Development and Clinical Services segment provides manufacturing, packaging, storage and inventory management for drugs and biologics in clinical trials. We offer customers flexible solutions for clinical supplies production, and provide distribution and inventory management support for both simple and complex clinical trials. This includes dose form manufacturing or over-encapsulation where needed; supplying placebos, comparator drug procurement and clinical packages and kits for physicians and patients; inventory management; investigator kit ordering and fulfillment; and return supply reconciliation and reporting. We support trials in all regions of the world through our facilities and distribution network. In fiscal 2013, we established our first clinical supply services facility in China as a joint venture and assumed full ownership in fiscal 2015. We are the leading provider of integrated development solutions and one of the leading providers of clinical trial supplies and respiratory products.

We also offer analytical chemical and cell-based testing and scientific services, stability testing, respiratory products formulation and manufacturing, regulatory consulting, and bioanalytical testing for biologic products. Our respiratory product capabilities include development and manufacturing services for inhaled products for delivery via metered dose inhalers, dry powder inhalers and intra-nasal sprays. We also provide formulation development and clinical and commercial manufacturing for conventional and specialty oral dose forms. We provide global regulatory and clinical support services for our customers' regulatory and clinical strategies during all stages of development. Demand for our offerings is driven by the need for scientific expertise and depth and breadth of services offered, as well as by the reliable supply thereof, including quality, execution and performance. We acquired Micron Technologies in November 2014, extending our particle engineering capabilities.

Development and Product Supply Chain Solutions

In addition to our proprietary offerings, we are also differentiated in the market by our ability to bring together our development solutions and advanced delivery technologies to offer innovative development and product supply solutions which can be combined or tailored in many ways to enable our customers to take their drugs, biologics and consumer health products from laboratory to market. Once a product is on the market, we can provide comprehensive integrated product supply, from the sourcing of the bulk active ingredient to comprehensive manufacturing and packaging to the testing required for release to distribution. Customer solutions we develop are flexible, scalable and creative, so that they meet the unique needs of both large and emerging companies, and for products of all sizes. We believe that our development and product supply solutions will continue to contribute to our future growth.

Sales and Marketing

Our target customers include large pharmaceutical and biotechnology companies, mid-size, emerging and specialty pharmaceutical and biotechnology companies, and consumer health companies, along with companies in other selected healthcare market segments such as animal health and medical devices and companies in adjacent industries, such as cosmetics. We have longstanding, extensive relationships with leading pharmaceutical and biotechnology customers. In fiscal 2015, we did business with 82 of the top 100 branded drug marketers, 19 of the top 20 generics marketers, 40 of the top 50 biologics marketers, and 23 of the top 25 consumer health marketers globally, as well as with nearly 1,000 other customers. Faced with access, pricing and reimbursement pressures as well as other market challenges, large pharmaceutical and biotechnology companies have increasingly sought partners to enhance the clinical competitiveness of their drugs and biologics and improve the productivity of their research and development activities, while reducing their fixed cost base. Many mid-size, emerging and specialty pharmaceutical and biotechnology companies, while facing the same pricing and market pressures, have chosen not to build a full infrastructure, but rather to partner with other companies through licensing agreements or outsourcing to access the critical skills, technologies and services required to bring their products to market. Consumer health companies require rapidly developed, innovative dose forms and formulations to keep up in the fast-paced over-the-counter medication and vitamins markets. These market segments are all critically important to our growth, but require distinct solutions, marketing and sales approaches, and market strategy.

We follow a hybrid demand generation organization model, with global and growth account teams offering the full breadth of Catalent's solutions to selected accounts, and technical specialist teams providing the in-depth technical knowledge and practical experience essential for each individual offering. All business development and field sales representatives ultimately report to a single sales head, and significant ongoing investments are made to enhance their skills and capabilities. Our sales organization currently consists of more than 150 full-time, experienced sales professionals, supported by inside sales and sales operations. We also have built a dedicated strategic marketing team, providing strategic market and product planning and management for our offerings. As part of our marketing efforts, we participate in major trade shows relevant to the offerings globally and ensure adequate visibility to our offerings and solutions through a comprehensive print and on-line advertising and publicity program. We believe that Catalent is a strong brand with high overall awareness in our established markets and target customers, and that our brand identity has become a competitive advantage for us.

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Global Accounts

We manage selected accounts globally due to their substantial current business and growth potential by establishing strategic plans, goals and targets. We recorded approximately 32% of our total revenue in fiscal 2015 from these global accounts. Each global account is assigned a dedicated business development professional with substantial industry experience. These account leaders, along with the leadership of the sales and marketing function members of the executive leadership team, are responsible for managing and extending the overall account relationship. Growing sales, profitability, and increasing account penetration are key goals and are directly linked to compensation. Account leaders also work closely with the rest of the sales organization to ensure alignment around critical priorities for the accounts.

Emerging, Specialty and Virtual Accounts

Emerging, specialty and virtual pharmaceutical and biotechnology companies are expected to be critical drivers of industry growth globally. Historically, many of these companies have chosen not to build a full infrastructure, but rather partner with other companies to produce their products. We expect them to continue to do so in the future, providing a critical source for future integrated solutions demand. We expect to continue to increase our penetration of geographic clusters of emerging companies in North America, Europe, South America and Asia. We regularly use active pipeline and product screening and customer targeting to identify the optimal candidates for partnering based on product profiles, funding status, and relationships, to ensure that our technical sales specialists and field sales representatives develop custom solutions designed to address the specific needs of customers in the market.

Contractual Arrangements

We generally enter into a broad range of contractual arrangements with our customers, including agreements with respect to feasibility, development, supply, licenses, and quality. The terms of these contracts vary significantly depending on the offering and customer requirements. Some of our agreements may include a variety of revenue arrangements such as fee-for-service, royalties, profit-sharing and fixed fees. We generally secure pricing and contract mechanisms in our supply agreements that allow for periodic resetting of pricing terms and, in some cases, these agreements provide for our ability to renegotiate pricing in the event of certain price increases for the raw materials utilized in the products we make. Our typical supply agreements include indemnification from our customers for product liability and intellectual property matters and caps on our contractual liabilities, subject in each case to negotiated exclusions. In addition, our manufacturing supply agreement terms range from three to ten years with regular renewals of one to three years, although some of our agreements are terminable upon much shorter notice periods, such as 30 or 90 days. For our development solutions offerings, we may enter into master service agreements, which provide for standardized terms and conditions and make it easier and faster for customers with multiple development needs to access our offerings.

Backlog

While we generally have long-term supply agreements that provide for a revenue stream over a period of years, our backlog represents, as of a point in time, future service revenues from work not yet completed. For our Oral Technologies and Medication Delivery Solutions segments, backlog represents firm orders for manufacturing services and includes minimum volumes, where applicable. For our Development and Clinical Services segment, backlog represents estimated future service revenues from work not yet completed under signed contracts. Using these methods of reporting backlog, as of June 30, 2015, our backlog was approximately $827.6 million, as compared to approximately $782.1 million as of June 30, 2014, including approximately $417.7 million and $373.8 million, respectively, related to our Development and Clinical Services segment. We expect to recognize approximately 77% of revenue from the backlog in existence as of June 30, 2015 by the completion of the fiscal year ending June 30, 2016.

To the extent projects are delayed, the timing of our revenue could be affected. If a customer cancels an order, we may be reimbursed for the costs we have incurred. For orders that are placed inside a contractual firm period, we generally have a contractual right to payment in the event of cancellation. Fluctuations in our reported backlog levels also result from the timing and order pattern of our customers who often seek to manage their level of inventory on hand. Because of customer ordering patterns, our backlog reported for certain periods may fluctuate and may not be indicative of future results.

Manufacturing Capabilities

We operate manufacturing facilities, development centers and sales offices throughout the world. We have thirty-one facilities on five continents with 5.1 million square feet of manufacturing, lab and related space. Our manufacturing capabilities include the full suite of competencies relevant to support each site's activities, including regulatory, quality assurance and in-house validation.

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We operate our plants in accordance with cGMP. More than half of our facilities are registered with the FDA, with the remaining facilities being registered with other applicable regulatory agencies, such as the EMA. In some cases certain facilities are registered with multiple regulatory agencies.

We have invested approximately $385.9 million of cash outflows in our manufacturing facilities since fiscal 2013 through improvements and expansions in our facilities, including approximately $141.0 million on capital expenditures in fiscal 2015. We believe that our facilities and equipment are in good condition, are well maintained and are able to operate at or above present levels for the foreseeable future, in all material respects.

Our manufacturing operations are focused on employee health and safety, regulatory compliance, operational excellence, continuous improvement, and process standardization across the organization. In fiscal 2015, we achieved approximately 98% on-time shipment delivery versus customer request date across our network as a result of this focus. Our manufacturing operations are structured around an enterprise management philosophy and methodology that utilizes principles and tools common to a number of quality management programs, including Six Sigma and Lean Manufacturing.

Raw Materials

We use a broad and diverse range of raw materials in the design, development and manufacture of our products. This includes, but is not limited to, key materials such as gelatin, starch, and iota carrageenan for the Oral Technologies segment; packaging films for our Development & Clinical Services segment, and resin for our blow-fill-seal business in our Medication Delivery Solutions segment. The raw materials that we use are sourced externally on a global basis. Globally, our supplier relationships could be interrupted due to natural disasters and international supply disruptions, including those caused by pandemics, geopolitical and other issues. For example, the supply of gelatin is obtained from a limited number of sources. In addition, much of the gelatin we use is bovine-derived. Past concerns of contamination from Bovine Spongiform Encephalopathy ("BSE") have narrowed the number of possible sources of particular types of gelatin. If there were a future disruption in the supply of gelatin from any one or more key suppliers, there can be no assurance that we could obtain an alternative supply from our other suppliers. If future restrictions were to emerge on the use of bovine-derived gelatin from certain geographic sources due to concerns of contamination from BSE, any such restriction could hinder our ability to timely supply our customers with products and the use of alternative non-bovine-derived gelatin for specific customer products could be subject to lengthy formulation, testing and regulatory approval.

We work very closely with our suppliers to assure continuity of supply while maintaining excellence in material quality and reliability, and we have an active and effective supplier audit program. We continually evaluate alternate sources of supply, although we do not frequently pursue regulatory qualification of alternative sources for key raw materials due to the strength of our existing supplier relationships, the reliability of our current supplier base and the time and expense associated with the regulatory process. Although a change in suppliers could require significant effort or investment by us in circumstances where the items supplied are integral to the performance of our products or incorporate specialized material such as gelatin, we do not believe that the loss of any existing supply arrangement would have a material adverse effect on our business. See "Risk Factors-Risks Relating to Our Business and Industry-Our future results of operations are subject to fluctuations in the costs, availability, and suitability of the components of the products we manufacture, including active pharmaceutical ingredients, excipients, purchased components, and raw materials."

Competition

We compete on several fronts both domestically and internationally, including with other companies that offer advanced delivery technologies or development services to pharmaceutical, biotechnology and consumer health companies based in North America, South America, Europe and the Asia-Pacific region. We also may compete with the internal operations of those pharmaceutical, biotechnology and consumer health manufacturers that choose to source these services internally, where possible.

Competition is driven by proprietary technologies and know-how (where relevant), consistency of operational performance, quality, price, value and speed. While we do have competitors who compete with us in our individual offerings, we do not believe we have competition from any directly comparable companies.

Research and Development Costs

Our research activities are primarily directed toward the development of new offerings and manufacturing process improvements. Costs incurred in connection with the development of new offerings and manufacturing process improvements are recorded within selling, general, and administrative expenses. Such research and development costs included in selling,

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general, and administrative expenses amounted to $12.2 million, $17.5 million and $14.5 million for the fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013, respectively. Costs incurred in connection with research and development services we provide to customers and services performed in support of the commercial manufacturing process for customers are recorded within cost of sales. Such research and development costs included in cost of sales amounted to $41.3 million, $34.0 million and $35.0 million for the fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013, respectively.

Employees

As of June 30, 2015, we had approximately 8,700 employees in thirty-one facilities on five continents: ten facilities are in the United States, with certain employees at one facility being represented by a labor organization with their terms and conditions of employment being subject to a collective bargaining agreement. National works councils and/or labor organizations are active at all twelve of our European facilities consistent with labor environments/laws in European countries. Similar relationships with labor organizations or national works councils exist in our plants in Argentina, Brazil, and Australia. Our management believes that our employee relations are satisfactory.

	North America	Europe	South America	Asia Pacific	Total
Approximate Number of Employees	3,600	3,500	900	700	8,700

Intellectual Property

We rely on a combination of know-how, trade secrets, patents, copyrights and trademarks and other intellectual property laws, nondisclosure and other contractual provisions and technical measures to protect a number of our offerings, services and intangible assets. These proprietary rights are important to our ongoing operations. Certain of our operations and products are under intellectual property licenses from third parties, and in certain instances we license our technology to third parties. We also have a long track record of innovation across our lines of business and, to further encourage active innovation, we have developed incentive compensation systems linked to patent filings and other recognition and reward programs for scientists and non-scientists alike.

We have applied in the United States and certain foreign countries for registration of a number of trademarks, service marks and patents, some of which have been registered and issued, and also hold common law rights in various trademarks and service marks. We hold approximately 1,300 patents and patent applications worldwide in advanced drug delivery and biologics formulations and technologies, and manufacturing and other areas.

We hold patents and license rights relating to certain aspects of our formulations, nutritional and pharmaceutical dosage forms, mammalian cell engineering, and sterile manufacturing services. We also hold patents relating to certain processes and products. We have a number of pending patent applications in the United States and certain foreign countries, and intend to pursue additional patents as appropriate. We have enforced and will continue to enforce our intellectual property rights in the United States and worldwide.

We do not consider any particular patent, trademark, license, franchise or concession to be material to our overall business.

Regulatory Matters

The manufacture, distribution and marketing of the healthcare products of our customers are subject to extensive ongoing regulation by the FDA, other United States ("U.S.") governmental authorities and foreign regulatory authorities. Certain of our subsidiaries are required to register for permits and/or licenses with, and must comply with the operating and security standards of, the Drug Enforcement Agency (the "DEA"), the FDA, the Department of Health and Human Services (the "DHHS"), the European Union (the "EU") member states and various state boards of pharmacy, state health departments and/or comparable state agencies as well as foreign agencies, and certain accrediting bodies depending upon the type of operations and location of product distribution, manufacturing and sale.

In addition, certain of our subsidiaries are subject to the United States Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, the Controlled Substances Act and comparable state and foreign regulations in certain of their activities.

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Laws regulating the manufacture and distribution of healthcare products also exist in most other countries where our subsidiaries conduct business. In addition our international manufacturing operations are subject to local certification requirements, and must comply with domestic and/or foreign good manufacturing practices and quality system regulations established by the FDA and/or applicable foreign regulatory authorities.

We are also subject to various federal, state, local, foreign and transnational laws, regulations and recommendations, both in the United States and abroad, relating to safe working conditions, laboratory and manufacturing practices and the use, transportation and disposal of hazardous or potentially hazardous substances. In addition, U.S. and international import and export laws and regulations require us to abide by certain standards relating to the cross-border transit of finished goods, raw materials and supplies and the handling of information. We are also subject to various other laws and regulations concerning the conduct of our foreign operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Anti-Bribery Act and other anti-bribery laws and laws pertaining to the accuracy of our internal books and records.

The costs associated with complying with the various applicable federal regulations, as well as state, local, foreign and transnational regulations, could be significant and the failure to comply with such legal requirements could have an adverse effect on our results of operations and financial condition. See “Risk Factors-Risks Relating to Failure to comply with existing and future regulatory requirements could adversely affect our results of operations and financial condition,” for additional discussion of the costs associated with complying with the various regulations.

In fiscal 2015, we underwent 65 regulatory audits and, over the last five fiscal years, we successfully completed more than 250 regulatory audits, with more than 50% resulting in no reported observations.

Quality Assurance

We are committed to ensuring and maintaining the highest standard of regulatory compliance while providing high quality products to our customers. To meet these commitments, we have developed and implemented a Catalent-wide quality management system throughout the organization. We have more than 1,100 employees around the globe focusing on quality and regulatory compliance. Our senior management team is actively involved in setting quality policies, standards and internal position papers as well as managing internal and external quality performance. Our quality assurance department provides quality leadership and supervises our quality systems programs. An internal audit program monitors compliance with applicable regulations, standards and internal policies. In addition, our facilities are subject to periodic inspection by the FDA and other equivalent local, state and foreign regulatory authorities and customers. All FDA, DEA and other regulatory inspectional observations have been resolved or are on track to be completed at the prescribed timeframe provided in response to the agency. We believe that our operations are in compliance in all material respects with the regulations under which our facilities are governed.

Environmental Matters

Our operations are subject to a variety of environmental, health and safety laws and regulations, including those of the U.S. Environmental Protection Agency (the “EPA”) and equivalent state, local and foreign regulatory agencies in each of the jurisdictions in which we operate. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling and disposal of hazardous substances and wastes, soil and groundwater contamination and employee health and safety. Our manufacturing facilities use, in varying degrees, hazardous substances in their processes. These substances include, among others, chlorinated solvents, and in the past chlorinated solvents were used at one or more of our facilities, including a number we no longer own or operate. As at our current facilities, contamination at such formerly owned or operated properties can result and has resulted in liability to us, for which we have recorded appropriate reserves as needed. We believe that our operations are in compliance in all material respects with the environment, health and safety regulations applicable to our facilities.

Available Information

We file annual, quarterly and special reports and other information with the SEC. Our filings with the SEC are available to the public on the SEC’s website at www.sec.gov. Those filings are also available to the public on, or accessible through, our website for free via the “Investors” section at www.catalent.com.

The information we file with the SEC or contained on or accessible through our corporate website or any other website that we may maintain is not incorporated by reference and is not part of this Annual Report on Form 10-K. You may also read and copy, at SEC prescribed rates, any document we file with the SEC at the SEC’s Public Reference Room located at 100 F Street, N.E., Washington D.C. 20549. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room.

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ITEM 1A. RISK FACTORS

If any of the following risks actually occur, our business, financial condition, operating results or cash flow could be materially and adversely affected. Additional risks or uncertainties not presently known to us, or that we currently believe are immaterial, may also impair our business operations.

Risks Relating to Our Business and Industry

We participate in a highly competitive market and increased competition may adversely affect our business.

We operate in a market that is highly competitive. We compete on several fronts, both domestically and internationally, including competing with other companies that provide similar offerings to pharmaceutical, biotechnology and consumer health companies based in North America, Latin America, Europe and the Asia-Pacific region. We also may compete with the internal operations of those pharmaceutical, biotechnology and consumer health manufacturers that choose to source these offerings internally, where possible.

We face material competition in each of our markets. Competition is driven by proprietary technologies and know-how, capabilities, consistency of operational performance, quality, price, value and speed. Some competitors may have greater financial, research and development, operational and marketing resources than we do. Competition may also increase as additional companies enter our markets or use their existing resources to compete directly with ours. Expanded competition from companies in low-cost jurisdictions, such as India and China, may in the future adversely affect our results of operations or limit our growth. Greater financial, research and development, operational and marketing resources may allow our competitors to respond more quickly with new, alternative or emerging technologies. Changes in the nature or extent of our customer requirements may render our offerings obsolete or non-competitive and could adversely affect our results of operations and financial condition.

The demand for our offerings depends in part on our customers' research and development and the clinical and market success of their products. Our business, financial condition and results of operations may be harmed if our customers spend less on, or are less successful in, these activities.

Our customers are engaged in research, development, production and marketing of pharmaceutical, biotechnology and consumer health products. The amount of customer spending on research, development, production and marketing, as well as the outcomes of such research, development, and marketing activities, have a large impact on our sales and profitability, particularly the amount our customers choose to spend on our offerings. Our customers determine the amounts that they will spend based upon, among other things, available resources and their need to develop new products, which, in turn, is dependent upon a number of factors, including their competitors' research, development and production initiatives, and the anticipated market uptake, clinical and reimbursement scenarios for specific products and therapeutic areas. In addition, consolidation in the industries in which our customers operate may have an impact on such spending as customers integrate acquired operations, including research and development departments and their budgets. Our customers finance their research and development spending from private and public sources. A reduction in spending by our customers could have a material adverse effect on our business, financial condition and results of operations. If our customers are not successful in attaining or retaining product sales due to market conditions, reimbursement issues or other factors, our results of operations may be materially adversely affected.

We are subject to product and other liability risks that could adversely affect our results of operations, financial condition, liquidity and cash flows.

We are subject to potentially significant product liability and other liability risks that are inherent in the design, development, manufacture and marketing of our offerings. We may be named as a defendant in product liability lawsuits, which may allege that our offerings have resulted or could result in an unsafe condition or injury to consumers. Such lawsuits could be costly to defend and could result in reduced sales, significant liabilities and diversion of management's time, attention and resources. Even claims without merit could subject us to adverse publicity and require us to incur significant legal fees.

Furthermore, product liability claims and lawsuits, regardless of their ultimate outcome, could have a material adverse effect on our business operations, financial condition and reputation and on our ability to attract and retain customers. We have historically sought to manage this risk through the combination of product liability insurance and contractual indemnities and liability limitations in our agreements with customers and vendors. The availability of product liability insurance for companies in the pharmaceutical industry is generally more limited than insurance available to companies in other industries. Insurance carriers providing product liability insurance to those in the pharmaceutical and biotechnology industries generally limit the amount of available policy limits, require larger self-insured retentions and exclude coverage for certain products and claims.

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We maintain product liability insurance with annual aggregate limits in excess of $25 million. There can be no assurance that a successful product liability claim or other liability claim would be adequately covered by our applicable insurance policies or by any applicable contractual indemnity or liability limitations.

Failure to comply with existing and future regulatory requirements could adversely affect our results of operations and financial condition.

The healthcare industry is highly regulated. We are subject to various local, state, federal, foreign and transnational laws and regulations, which include the operating and security standards of the DEA, the FDA, various state boards of pharmacy, state health departments, the DHHS, the EU member states and other comparable agencies and, in the future, any changes to such laws and regulations could adversely affect us. In particular, we are subject to laws and regulations concerning good manufacturing practices and drug safety. Our subsidiaries may be required to register for permits and/or licenses with, and may be required to comply with the laws and regulations of the DEA, the FDA, the DHHS, foreign agencies including the EMA, and other various state boards of pharmacy, state health departments and/or comparable state agencies as well as certain accrediting bodies depending upon the type of operations and location of product distribution, manufacturing and sale.

The manufacture, distribution and marketing of our offerings for use in our customers' products are subject to extensive ongoing regulation by the FDA, the DEA, the EMA, and other equivalent local, state, federal and foreign regulatory authorities. Failure by us or by our customers to comply with the requirements of these regulatory authorities could result in warning letters, product recalls or seizures, monetary sanctions, injunctions to halt manufacture and distribution, restrictions on our operations, civil or criminal sanctions, or withdrawal of existing or denial of pending approvals, including those relating to products or facilities. In addition, such a failure could expose us to contractual or product liability claims as well as contractual claims from our customers, including claims for reimbursement for lost or damaged active pharmaceutical ingredients, which cost could be significant.

In addition, any new offering or product classified as a pharmaceutical product must undergo lengthy and rigorous clinical testing and other extensive, costly and time-consuming procedures mandated by the FDA, the EMA and other equivalent local, state, federal and foreign regulatory authorities. We or our customers may elect to delay or cancel anticipated regulatory submissions for current or proposed new products for any number of reasons.

Although we believe that we comply in all material respects with applicable laws and regulations, there can be no assurance that a regulatory agency or tribunal would not reach a different conclusion concerning the compliance of our operations with applicable laws and regulations. In addition, there can be no assurance that we will be able to maintain or renew existing permits, licenses or any other regulatory approvals or obtain, without significant delay, future permits, licenses or other approvals needed for the operation of our businesses. Any noncompliance by us with applicable laws and regulations or the failure to maintain, renew or obtain necessary permits and licenses could have an adverse effect on our results of operations and financial condition.

Failure to provide quality offerings to our customers could have an adverse effect on our business and subject us to regulatory actions and costly litigation.

Our results depend on our ability to execute and improve when necessary our quality management strategy and systems, and effectively train and maintain our employee base with respect to quality management. Quality management plays an essential role in determining and meeting customer requirements, preventing defects and improving our offerings. While we have a network of quality systems throughout our business units and facilities that relate to the design, formulation, development, manufacturing, packaging, sterilization, handling, distribution and labeling of our customers' products which use our offerings, quality and safety issues may occur with respect to any of our offerings. A quality or safety issue could have an adverse effect on our business, financial condition and results of operations and may subject us to regulatory actions, including product recalls, product seizures, injunctions to halt manufacture or distribution, restrictions on our operations, or civil sanctions, including monetary sanctions and criminal actions. In addition, such an issue could subject us to costly litigation, including claims from our customers for reimbursement for the cost of lost or damaged active pharmaceutical ingredients, the cost of which could be significant.

The services and offerings we provide are highly exacting and complex, and if we encounter problems providing the services or support required, our business could suffer.

The offerings we provide are highly exacting and complex, particularly in our Medication Delivery Solutions segment, due in part to strict regulatory requirements. From time to time, problems may arise in connection with facility operations or during preparation or provision of an offering, in both cases for a variety of reasons including, but not limited to, equipment

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malfunction, sterility variances or failures, failure to follow specific protocols and procedures, problems with raw materials, environmental factors and damage to, or loss of, manufacturing operations due to fire, flood or similar causes. Such problems could affect production of a particular batch or series of batches, requiring the destruction of product, or could halt facility production altogether. This could, among other things, lead to increased costs, lost revenue, damage to customer relations, reimbursement to customers for lost active pharmaceutical ingredients, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. Production problems in our drug and biologic manufacturing operations could be particularly significant because the cost of raw materials is often higher than in our other businesses. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred. In addition, such risks may be greater at facilities that are new or going through significant expansion or renovation.

Our global operations are subject to a number of economic, political and regulatory risks.

We conduct our operations in various regions of the world, including North America, South America, Europe and the Asia-Pacific region. Global economic and regulatory developments affect businesses such as ours in many ways. Our operations are subject to the effects of global competition, including potential competition from manufacturers in low-cost jurisdictions such as India and China. Local jurisdiction risks include regulatory risks arising from local laws. Our global operations are also affected by local economic environments, including inflation and recession. Political changes, some of which may be disruptive, can interfere with our supply chain and customers and some or all of our activities in a particular location. While some of these risks can be hedged using derivatives or other financial instruments and some are insurable, such attempts to mitigate these risks are costly and not always successful. Also, fluctuations in foreign currency exchange rates can adversely affect our consolidated financial results.

If we do not enhance our existing or introduce new technology or service offerings in a timely manner, our offerings may become obsolete over time, customers may not buy our offerings and our revenue and profitability may decline.

The healthcare industry is characterized by rapid technological change. Demand for our offerings may change in ways we may not anticipate because of such evolving industry standards as well as a result of evolving customer needs that are increasingly sophisticated and varied and the introduction by others of new offerings and technologies that provide alternatives to our offerings. Several of our higher margin offerings are based on proprietary technologies. The patents for these technologies will ultimately expire, and these offerings may become subject to competition. Without the timely introduction of enhanced or new offerings, our offerings may become obsolete over time, in which case our revenue and operating results would suffer. For example, if we are unable to respond to changes in the nature or extent of the technological or other needs of our pharmaceutical customers through enhancing our offerings, our competition may develop offering portfolios that are more competitive than ours and we could find it more difficult to renew or expand existing agreements or obtain new agreements. Innovations directed at continuing to offer enhanced or new offerings generally will require a substantial investment before we can determine their commercial viability, and we may not have the financial resources necessary to fund these innovations.

The success of enhanced or new offerings will depend on several factors, including our ability to:

- properly anticipate and satisfy customer needs, including increasing demand for lower cost products;
- enhance, innovate, develop and manufacture new offerings in an economical and timely manner;
- differentiate our offerings from competitors' offerings;
- achieve positive clinical outcomes for our customers' new products;
- meet safety requirements and other regulatory requirements of governmental agencies;
- obtain valid and enforceable intellectual property rights; and
- avoid infringing the proprietary rights of third parties.

Even if we succeed in creating enhanced or new offerings from these innovations, they may still fail to result in commercially successful offerings or may not produce revenue in excess of the costs of development, and they may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of offerings embodying new technologies or features. Finally, innovations may not be accepted quickly in the marketplace because of, among other things, entrenched patterns of clinical practice, the need for regulatory clearance and uncertainty over market access or government or third-party reimbursement.

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We and our customers depend on patents, copyrights, trademarks, trade secrets and other forms of intellectual property protections, but, these protections may not be adequate.

We rely on a combination of know-how, trade secrets, patents, copyrights and trademarks and other intellectual property laws, nondisclosure and other contractual provisions and technical measures to protect a number of our offerings and intangible assets. These proprietary rights are important to our ongoing operations. There can be no assurance that these protections will prove meaningful against competitive offerings or otherwise be commercially valuable or that we will be successful in obtaining additional intellectual property or enforcing our intellectual property rights against unauthorized users. Our exclusive rights under certain of our offerings are protected by patents, some of which will expire in the near term. When patents covering an offering expire, loss of exclusivity may occur and this may force us to compete with third parties, thereby affecting our revenue and profitability. We do not currently expect any material loss of revenue to occur as a result of the expiration of any Catalent patent.

Our proprietary rights may be invalidated, circumvented or challenged. We have in the past been subject to patent oppositions before the European Patent Office and we may in the future be subject to patent oppositions in Europe or other jurisdictions in which we hold patent rights. In addition, in the future, we may need to take legal actions to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. The outcome of any such legal action may be unfavorable to us.

These legal actions regardless of outcome might result in substantial costs and diversion of resources and management attention. Although we use reasonable efforts to protect our proprietary and confidential information, there can be no assurance that our confidentiality and non-disclosure agreements will not be breached, our trade secrets will not otherwise become known by competitors or that we will have adequate remedies in the event of unauthorized use or disclosure of proprietary information. Even if the validity and enforceability of our intellectual property is upheld, a court might construe our intellectual property not to cover the alleged infringement. In addition, intellectual property enforcement may be unavailable in some foreign countries. There can be no assurance that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology or that third parties will not design around our patent claims to produce competitive offerings. The use of our technology or similar technology by others could reduce or eliminate any competitive advantage we have developed, cause us to lose sales or otherwise harm our business.

We have applied in the United States and certain foreign countries for registration of a number of trademarks, service marks and patents, some of which have been registered or issued, and also claim common law rights in various trademarks and service marks. In the past, third parties have opposed our applications to register intellectual property and there can be no assurance that they will not do so in the future. It is possible that in some cases we may be unable to obtain the registrations for trademarks, service marks and patents for which we have applied and a failure to obtain trademark and patent registrations in the United States or other countries could limit our ability to protect our trademarks and proprietary technologies and impede our marketing efforts in those jurisdictions.

Our use of certain intellectual property rights is also subject to license agreements with third parties for certain patents, software and information technology systems and proprietary technologies. If these license agreements were terminated for any reason, it could result in the loss of our rights to this intellectual property, our operations may be materially adversely affected and we may be unable to commercialize certain offerings.

In addition, many of our branded pharmaceutical customers rely on patents to protect their products from generic competition. Because incentives exist in some countries, including the United States, for generic pharmaceutical companies to challenge these patents, pharmaceutical and biotechnology companies are under the ongoing threat of a challenge to their patents. If our customers' patents were successfully challenged and as a result subjected to generic competition, the market for our customers' products could be significantly adversely affected, which could have an adverse effect on our results of operations and financial condition.

Our future results of operations are subject to fluctuations in the costs, availability, and suitability of the components of the products we manufacture, including active pharmaceutical ingredients, excipients, purchased components, and raw materials.

We depend on various active pharmaceutical ingredients, components, compounds, raw materials, and energy supplied primarily by others for our offerings. This includes, but is not limited to, gelatin, starch, iota carrageenan, petroleum-based products and resin. Also, our customers frequently provide their active pharmaceutical or biologic ingredient for formulation or incorporation in the finished product. It is possible that any of our customer supplier relationships could be interrupted due to

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natural disasters, international supply disruptions caused by pandemics, geopolitical issues and other events, or could be terminated in the future.

For example, gelatin is a key component in our Oral Technologies segment. Gelatin is available from only a limited number of sources. In addition, much of the gelatin we use is bovine-derived. Past concerns of contamination from BSE have narrowed the number of possible sources of particular types of gelatin. If there were a future disruption in the supply of gelatin from any one or more key suppliers, we may not be able to obtain an adequate alternative supply from our other suppliers. If future restrictions were to emerge on the use of bovine-derived gelatin due to concerns of contamination from BSE, any such restriction could hinder our ability to timely supply our customers with products and the use of alternative non-bovine-derived gelatin could be subject to lengthy formulation, testing and regulatory approval.

Any sustained interruption in our receipt of adequate supplies could have an adverse effect on us. In addition, while we have processes intended to reduce volatility in component and material pricing, we may not be able to successfully manage price fluctuations and future price fluctuations or shortages may have an adverse effect on our results of operations.

Changes in market access or healthcare reimbursement for our customers' products in the United States or internationally could adversely affect our results of operations and financial condition.

The healthcare industry has changed significantly over time, and we expect the industry to continue to evolve. Some of these changes, such as ongoing healthcare reform, adverse changes in governmental or private funding of healthcare products and services, legislation or regulations governing patient access to care and privacy, or the delivery, pricing or reimbursement approval of pharmaceuticals and healthcare services or mandated benefits, may cause healthcare industry participants to change the amount of our offerings they purchase or the price they are willing to pay for our offerings. Changes in the healthcare industry's pricing, selling, inventory, distribution or supply policies or practices could also significantly reduce our revenue and results of operations. In particular, volatility in individual product demand may result from changes in public or private payer reimbursement or coverage.

Fluctuations in the exchange rate of the U.S. dollar and other foreign currencies could have a material adverse effect on our financial performance and results of operations.

As a company with many international operations, certain revenues, costs, assets and liabilities, including a portion of our senior secured credit facilities, are denominated in currencies other than the U.S. dollar. As a result, changes in the exchange rates of these currencies or any other applicable currency to the U.S. dollar will affect our revenues, earnings and cash flows and could result in unrealized and realized exchange losses despite any efforts we may undertake to manage or mitigate our exposure to foreign currency fluctuations.

Tax legislation initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.

We are a large multinational corporation with operations in the United States and international jurisdictions, including North America, South America, Europe and the Asia-Pacific region. As such, we are subject to the tax laws and regulations of the United States federal, state and local governments and of many international jurisdictions. From time to time, various legislative initiatives may be proposed that could adversely affect our tax positions. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these initiatives. In addition, United States federal, state and local, as well as international tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

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Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We have net operating loss carryforwards available to reduce future taxable income. Utilization of our net operating loss carryforwards may be subject to a substantial limitation under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), and comparable provisions of state, local and foreign tax laws due to changes in ownership of our company that may occur in the future. Under Section 382 of the Code and comparable provisions of state, local and foreign tax laws, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change by value in its equity ownership over a three-year period, the corporation's ability to carryforward its pre-change net operating loss carryforwards to reduce its post-change income may be limited. We may experience ownership changes in the future as a result of future changes in our stock ownership. As a result, if we generate taxable income in future years, our ability to use our pre-change net operating loss carryforwards to reduce U.S. federal and state taxable income may be subject to limitations, which could result in increased future tax liability to us.

We may be required to re-establish a full valuation allowance against our U.S. deferred tax assets in the future.

We have deferred tax assets for net operating loss carryforwards and other temporary differences. We currently do not maintain a valuation allowance for a portion of our U.S. net deferred tax assets. We may experience, in the future, a decline in U.S. federal taxable income, resulting from a decline in profitability of our U.S. operations, an increased level of debt in the U.S. or other factors. In assessing our ability to realize our U.S. deferred tax assets, we may conclude that it is more likely than not that some portion or all of our U.S. deferred tax assets will not be realized. As a result, we may be required to record a full valuation allowance against our U.S. deferred tax assets, which could adversely impact our effective income tax rate.

We are dependent on key personnel.

We depend on senior executive officers and other key personnel, including our technical personnel, to operate and grow our business and to develop new enhancements, offerings and technologies. The loss of any of these officers or other key personnel combined with a failure to attract and retain suitably skilled technical personnel could adversely affect our operations.

In addition to our executive officers, we rely on approximately 150 senior employees to lead and direct the Company. Our senior leadership team ("SLT") is comprised of our executive officers and other vice presidents and directors who hold critical positions and possess specialized talents and capabilities that give us a competitive advantage in the market. The members of the SLT hold positions such as general manager of manufacturing, general manager of analytical and development laboratories, vice president/general manager of business unit commercial development, director of operations, and vice president of quality and regulatory activities.

With respect to our technical talent, we have approximately 900 scientists and technicians whose areas of expertise and specialization cover subjects such as advanced delivery, drug and biologics formulation and manufacturing. Many of our sites and laboratories are located in competitive labor markets like Morrisville, North Carolina; Brussels, Belgium; Woodstock, Illinois; Madison, Wisconsin; and Schorndorf, Germany. Global and regional competitors and, in some cases, customers and suppliers, compete for the same skills and talent as we do.

Risks generally associated with information and communications systems could adversely affect our results of operations.

We rely on information systems in our business to obtain, rapidly process, analyze and manage data to:

- facilitate the manufacture and distribution of thousands of inventory items to and from our facilities;
- receive, process and ship orders on a timely basis;
- manage the accurate billing and collections for thousands of customers;
- manage the accurate accounting and payment for thousands of vendors; and
- schedule and operate our global network of development, manufacturing and packaging facilities.

Our results of operations could be adversely affected if these systems are interrupted, damaged by unforeseen events or fail for any extended period of time, including due to the actions of third parties.

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We may in the future engage in acquisitions and other transactions that may complement or expand our business or divest of non-strategic businesses or assets. We may not be able to complete such transactions, and such transactions, if executed, pose significant risks and could have a negative effect on our operations.

Our future success may be dependent on opportunities to buy other businesses or technologies and possibly enter into joint ventures that could complement, enhance or expand our current business or offerings and services or that might otherwise offer us growth opportunities. We may face competition from other companies in pursuing acquisitions in the pharmaceutical and biotechnology industry. Our ability to acquire targets may also be limited by applicable antitrust laws and other regulations in the United States and other foreign jurisdictions in which we do business. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt and assume loss-making divisions. We may not be able to complete such transactions, for reasons including, but not limited to, a failure to secure financing. Any transactions that we are able to identify and complete may involve a number of risks, including the diversion of management's attention to integrate the acquired businesses or joint ventures, the possible adverse effects on our operating results during the integration process, the potential loss of customers or employees in connection with the acquisition, delays or reduction in realizing expected synergies, unexpected liabilities relating to a joint venture of acquired business and our potential inability to achieve our intended objectives for the transaction. In addition, we may be unable to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies.

To the extent that we are not successful in completing divestitures, as such may be determined by future strategic plans and business performance, we may have to expend substantial amounts of cash, incur debt and continue to absorb loss-making or under-performing divisions. Any divestitures that we are unable to complete may involve a number of risks, including diversion of management's attention, a negative impact on our customer relationships, costs associated with retaining the targeted divestiture, closing and disposing of the affected business or transferring business to other facilities.

Our offerings and our customers' products may infringe on the intellectual property rights of third parties.

From time to time, third parties have asserted intellectual property infringement claims against us and our customers and there can be no assurance that third parties will not assert infringement claims against either us or our customers in the future. While we believe that our offerings do not infringe in any material respect upon proprietary rights of other parties and/or that meritorious defenses would exist with respect to any assertions to the contrary, there can be no assurance that we would not be found to infringe on the proprietary rights of others. Patent applications in the United States and some foreign countries are generally not publicly disclosed until the patent is issued or published, and we may not be aware of currently filed patent applications that relate to our offerings or processes. If patents later issue on these applications, we may be found liable for subsequent infringement. There has been substantial litigation in the pharmaceutical and biotechnology industries with respect to the manufacture, use and sale of products that are the subject of conflicting patent rights.

Any claims that our offerings or processes infringe these rights (including claims arising through our contractual indemnification of our customers), regardless of their merit or resolution, could be costly and may divert the efforts and attention of our management and technical personnel. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If such proceedings result in an adverse outcome, we could, among other things, be required to:

- pay substantial damages (potentially treble damages in the United States);
- cease the manufacture, use or sale of the infringing offerings or processes;
- discontinue the use of the infringing technology;
- expend significant resources to develop non-infringing technology;
- license technology from the third party claiming infringement, which license may not be available on commercially reasonable terms, or may not be available at all; and
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property against others.

In addition, our customers' products may be subject to claims of intellectual property infringement and such claims could materially affect our business if their products cease to be manufactured or they have to discontinue the use of the infringing technology.

Any of the foregoing could affect our ability to compete or have a material adverse effect on our business, financial condition and results of operations.

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We are subject to environmental, health and safety laws and regulations, which could increase our costs and restrict our operations in the future.

Our operations are subject to a variety of environmental, health and safety laws and regulations, including those of the EPA and the U.S. Occupational Safety & Health Administration and equivalent local, state, and foreign regulatory agencies in each of the jurisdictions in which we operate. These laws and regulations govern, among other things, air emissions, wastewater discharges, the use, handling and disposal of hazardous substances and wastes, soil and groundwater contamination and employee health and safety. Any failure by us to comply with environmental, health and safety requirements could result in the limitation or suspension of production or subject us to monetary fines or civil or criminal sanctions, or other future liabilities in excess of our reserves. We are also subject to laws and regulations governing the destruction and disposal of raw materials and non-compliant products, the handling of regulated material that are included in our offerings, and the disposal of our offerings at the end of their useful life. In addition, compliance with environmental, health and safety requirements could restrict our ability to expand our facilities or require us to acquire costly pollution control equipment, incur other significant expenses or modify our manufacturing processes. Our manufacturing facilities may use, in varying degrees, hazardous substances in their processes. These substances include, among others, chlorinated solvents, and in the past chlorinated solvents were used at one or more of our facilities, including a number we no longer own or operate. As at our current facilities, contamination at such formerly owned or operated properties can result and has resulted in liability to us. In the event of the discovery of new or previously unknown contamination either at our facilities or at third-party locations, including facilities we formerly owned or operated, the issuance of additional requirements with respect to existing contamination, or the imposition of other cleanup obligations for which we are responsible, we may be required to take additional, unplanned remedial measures for which no reserves have been recorded. We are conducting monitoring and cleanup of contamination at certain facilities currently or formerly owned or operated by us. We have established accounting reserves for certain contamination liabilities but cannot assure you that such liabilities will not exceed our reserves.

We are subject to labor and employment laws and regulations, which could increase our costs and restrict our operations in the future.

We employ approximately 8,700 employees worldwide, including approximately 3,600 employees in North America, 3,500 in Europe, 900 in South America and 700 in the Asia/Pacific region. Certain employees at one of our North American facilities are represented by a labor organization, and national works councils and/or labor organizations are active at all of our European facilities consistent with labor environments/laws in European countries. Similar relationships with labor organizations or national works councils exist in our plants in Argentina, Brazil and Australia. Our management believes that our employee relations are satisfactory. However, further organizing activities or collective bargaining may increase our employment-related costs and we may be subject to work stoppages and other labor disruptions. Moreover, as employers are subject to various employment-related claims, such as individual and class actions relating to alleged employment discrimination, wage-hour and labor standards issues, such actions, if brought against us and successful in whole or in part, may affect our ability to compete or have a material adverse effect on our business, financial condition and results of operations.

Certain of our pension plans are underfunded, and additional cash contributions we may make will reduce the cash available for our business, such as the payment of our interest expense.

Certain of our current and former employees in the United States, United Kingdom, Germany, France, Japan and Australia are participants in defined benefit pension plans that we sponsor. As of June 30, 2015, the underfunded amount of our pension plans on a worldwide basis was approximately $101.7 million, primarily related to our fiscal 2012 plans in the United Kingdom and Germany. In addition, we have an estimated obligation of approximately $39.5 million, as of June 30, 2015, related to our withdrawal from a multiemployer pension plan in which we participated, resulting in a total underfunded amount related to our pension plans of $141.2 million as of June 30, 2015. In general, the amount of future contributions to the underfunded plans will depend upon asset returns and a number of other factors and, as a result, the amount we may be required to contribute to such plans in the future may vary. Such cash contributions to the plans will reduce the cash available for our business to pursue strategic growth initiatives or the payment of interest expense on the notes or our other indebtedness.

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Risks Relating to Our Indebtedness

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our industry, expose us to interest-rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness.

We are highly leveraged. As of June 30, 2015, we had $1,826.8 million (dollar equivalent) of senior indebtedness; an additional $188.3 million of un-utilized capacity and $11.7 million of outstanding letters of credit under our revolving credit facility.

Our high degree of leverage could have important consequences for us, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;
- exposing us to the risk of increased interest rates because certain of our borrowings, including borrowings under our senior secured credit facilities, are at variable rates of interest;
- exposing us to the risk of fluctuations in exchange rates because certain of our borrowings, including certain of our senior secured term loan facilities, are denominated in euros;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing such indebtedness;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting.

Our total interest expense, net was $105.0 million, $163.1 million and $203.2 million for fiscal years 2015, 2014 and 2013, respectively. After taking into consideration our ratio of fixed-to-floating rate debt, a 100 basis point increase in such rates would increase our annual interest expense by approximately $0.6 million.

Despite our high indebtedness level, we and our subsidiaries will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the agreements governing our indebtedness contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

The agreements governing our outstanding indebtedness contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit the ability of our subsidiary, Catalent Pharma Solutions, Inc., and its restricted subsidiaries to, among other things:

- incur additional indebtedness and issue certain preferred stock;
- pay certain dividends on, repurchase or make distributions in respect of capital stock or make other restricted payments;
- place limitations on distributions from restricted subsidiaries;
- issue or sell capital stock of restricted subsidiaries;
- guarantee certain indebtedness;
- make certain investments;
- sell or exchange assets;
- enter into transactions with affiliates;

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- create certain liens; and
- consolidate, merge or transfer all or substantially all of their assets and the assets of their subsidiaries on a consolidated basis.

A breach of any of these covenants could result in a default under one or more of these agreements, including as a result of cross default provisions, and, in the case of our revolving credit facility, permit the lenders to cease making loans to us.

We may utilize derivative financial instruments to reduce our exposure to market risks from changes in interest rates on our variable-rate indebtedness and we will be exposed to risks related to counterparty credit worthiness or non-performance of these instruments.

We may enter into pay-fixed interest-rate swaps to limit our exposure to changes in variable interest rates. Such instruments may result in economic losses should exchange rates decline to a point lower than our fixed-rate commitments. We will be exposed to credit-related losses that could adversely affect our results of operations in the event of fluctuations in the fair value of the interest-rate swaps due to a change in the credit worthiness or non-performance by the counterparties to the interest-rate swaps.

Risks Related to Ownership of Our Common Stock

Our stock price may change significantly, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

The trading price of our common stock has been, and continues to be volatile. Since shares of our common stock were offered for sale in our initial public offering on July 31, 2014 through June 30, 2015, our common stock price ranged from $19.85 to $32.11. The trading price of our common stock may be adversely affected due to a number of factors such as those listed in “Risks Related to Our Business and Our Industry” and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- declines in the market prices of stocks generally, or those of pharmaceutical or other healthcare companies;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, new products, acquisitions, joint marketing relationships, joint ventures, other strategic relationships or capital commitments;
- changes in general economic or market conditions or trends in our industry or markets;
- changes in business or regulatory conditions;
- future sales of our common stock or other securities;
- investor perceptions or the investment opportunity associated with our common stock relative to other investment alternatives;
- the public response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- announcements relating to litigation;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- the development and sustainability of an active trading market for our stock;
- changes in accounting principles; and
- other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events.

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Broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low, and the amount of public float on any given day can vary depending on whether our stockholders choose to hold for the long term.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

Because we have no plans to pay cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We currently intend to retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividend for the foreseeable future. The declaration, amount and payment of any future dividend on shares of our common stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, possible future favorable deployment of our cash, our future capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by covenants of our outstanding indebtedness and may be limited by covenants of any future indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or change their views regarding the stock of any of our competitors or other healthcare sector companies, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of the Company or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Future sales, or the perception of future sales of common stock, by us or our existing stockholders could cause the market price for our common stock to decline.

The sale of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of September 1, 2015, 151,304 shares of our common stock, representing less than 1% of our total outstanding shares of common stock, are “restricted securities” within the meaning of Rule 144 of the Securities Act (“Rule 144”) and subject to certain restrictions on resale. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144.

In addition, 1,242,291 shares of common stock will be eligible for sale upon exercise of vested options. A total of 6.7 million shares of common stock was reserved for issuance under the 2014 Omnibus Incentive Plan, of which 4,335,548 shares of common stock remain available for future issuance at September 1, 2015. These shares can be sold in the public market upon issuance, subject to restrictions under the securities laws applicable to resales by affiliates.

Pursuant to a registration rights agreement, certain holders of restricted shares, subject to certain conditions, may require us to register or otherwise facilitate the sale under the Securities Act of their shares of common stock. Any exercise of their registration rights, or any sale by one or more of them of a substantial number of shares, could cause the then-prevailing market price of our common stock to decline. The shares subject to the registration rights agreement represent approximately 23.6% of our outstanding common stock.

The market price of shares of our common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of shares of our common stock that we wish to issue or other securities. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of then-outstanding shares of our common stock. Any issuance of additional securities in connection with investments or acquisitions may result in dilution to you.

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Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- a classified board of directors with staggered three-year terms;
- the ability of our board of directors to issue one or more series of preferred stock;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- the removal of directors only for cause and only upon the affirmative vote of holders of at least 66 2/3% of the shares of common stock entitled to vote generally in the election of directors; and
- that certain provisions may be amended only by the affirmative vote of at least 66 2/3% of the shares of common stock entitled to vote generally in the election of directors.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares.

Affiliates of Blackstone have substantial influence over us, and their interests may conflict with ours or yours in the future.

Affiliates of Blackstone beneficially own approximately 21% of our common stock. As a result, investment funds associated with or designated by affiliates of Blackstone have the ability to influence the election of the members of our board of directors and thereby affect our policies and operations, including the appointment of management, future issuances of our common stock or other securities, the payment of dividends, if any, on our common stock, the incurrence or modification of debt by us, amendments to our amended and restated certificate of incorporation and amended and restated bylaws and the entering into of extraordinary transactions, and their interests may not in all cases be aligned with your interests. In addition, Blackstone may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you.

Blackstone is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. For example, Blackstone has made investments in Biomet, Inc., Emcure Pharmaceuticals Ltd., Apria Healthcare Group Inc., Nycomed Holding A/S, DJO Global LLC, Independent Clinical Services Ltd, Southern Cross Healthcare Group PLC, Stiefel Laboratories, Inc., Team Health Holdings, Inc. and Vanguard Health Systems, Inc.

Our amended and restated certificate of incorporation provides that none of Blackstone, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates has any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Blackstone also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. So long as Blackstone continues to own a significant amount of our combined voting power, Blackstone will continue to be able to strongly influence our decisions, and, so long as Blackstone and its affiliates collectively own at least 5% of all outstanding shares of our stock entitled to vote generally in the election of directors, it will be able to appoint individuals to our board of directors under a stockholders agreement. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of the Company and ultimately might affect the market price of our common stock.

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ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

Our principal executive offices are located at 14 Schoolhouse Road, Somerset, New Jersey. We also operate manufacturing operations, development centers, and sales offices throughout the world. We have thirty-one facilities on five continents with approximately 5.1 million square feet of manufacturing, lab and related space. Our manufacturing capabilities encompass a full suite of competencies including regulatory, quality assurance and in-house validation at all of the production sites. The following table sets forth our manufacturing and laboratory facilities by area and region as of June 30, 2015:

	Facility Sites	Country	Region	Segment	Total Square Footage	Leased/Owned
1	Eberbach	Germany	Europe	Oral Technologies	370,580	Leased
2	St. Petersburg, FL	USA	North America	Oral Technologies	328,073	Owned
3	Somerset, NJ	USA	North America	Oral Technologies	265,000	Owned
4	Buenos Aires	Argentina	South America	Oral Technologies	265,000	Owned
5	Swindon	United Kingdom	Europe	Oral Technologies	253,314	Owned
6	Haining	China	Asia Pacific	Oral Technologies	219,930	Owned
7	Winchester, KY	USA	North America	Oral Technologies	180,000	Owned
8	Schorndorf	Germany	Europe	Oral Technologies	166,027	Owned
9	Braeside	Australia	Asia Pacific	Oral Technologies	163,100	Owned
10	Sorocaba	Brazil	South America	Oral Technologies	124,685	Owned
11	Kakegawa	Japan	Asia Pacific	Oral Technologies	107,300	Owned
12	Aprilia	Italy	Europe	Oral Technologies	92,010	Owned
13	Beinheim	France	Europe	Oral Technologies	78,100	Owned
14	Dee Why	Australia	Asia Pacific	Oral Technologies	59,836	Leased
15	Indaiatuba	Brazil	South America	Oral Technologies	53,800	Owned
16	Woodstock, IL	USA	North America	Medication Delivery Solutions	421,665	Owned
17	Brussels	Belgium	Europe	Medication Delivery Solutions	302,961	Owned
18	Limoges	France	Europe	Medication Delivery Solutions	179,000	Owned
19	Madison, WI	USA	North America	Medication Delivery Solutions	102,723	Leased
20	Emeryville, CA	USA	North America	Medication Delivery Solutions	6,418	Leased
21	Kansas City, MO	USA	North America	Development & Clinical Services	410,000	Owned
22	Philadelphia, PA	USA	North America	Development & Clinical Services	206,878	Leased/Owned
23	Bathgate	United Kingdom	Europe	Development & Clinical Services	191,000	Owned
24	Morrisville, NC	USA	North America	Development & Clinical Services	186,406	Leased
25	Deeside	United Kingdom	Europe	Development & Clinical Services	127,533	Leased
26	Malvern, PA	USA	North America	Development & Clinical Services	84,000	Leased
27	Bolton	United Kingdom	Europe	Development & Clinical Services	60,830	Owned
28	Schorndorf	Germany	Europe	Development & Clinical Services	54,693	Owned
29	Shanghai	China	Asia Pacific	Development & Clinical Services	31,000	Leased
30	Dartford	United Kingdom	Europe	Development & Clinical Services	20,250	Leased
31	Singapore	Singapore	Asia Pacific	Development & Clinical Services	7,942	Leased
	Total				5,120,054	

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ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be involved in legal proceedings arising in the ordinary course of business, including, without limitation, inquiries and claims concerning environmental contamination as well as litigation and allegations in connection with acquisitions, product liability, manufacturing or packaging defects and claims for reimbursement for the cost of lost or damaged active pharmaceutical ingredients, the cost of which could be significant. We intend to vigorously defend ourselves against such other litigation and do not currently believe that the outcome of any such other litigation will have a material adverse effect on our financial statements. In addition, the healthcare industry is highly regulated in the U.S. and abroad and governmental agencies continue to scrutinize certain practices affecting governmental programs, international operations and otherwise.

From time to time, we receive subpoenas or requests for information from various governmental agencies, including from state attorneys general and the U.S. Department of Justice relating to the business practices of customers or suppliers. We generally respond to such subpoenas and requests in a timely and thorough manner, which responses sometimes require considerable time and effort and can result in considerable costs being incurred by us. We expect to incur additional costs in the future in connection with existing and future requests.

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ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The principal market for trading of the Company's common stock is the NYSE. The Company's common stock began trading on the NYSE under the symbol CTLT as of July 31, 2014. Prior to that date there was no public market for our common stock.

The following table sets forth the high and low sale prices per share for our common stock as reported on the NYSE for the period indicated:

Common Stock Market Prices	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Fiscal year ended June 30, 2015				
High	$32.11	$31.66	$30.18	$25.17
Low	$26.17	$26.32	$22.85	$19.85

As of September 1, 2015 we had approximately 35 holders of record of our common stock. This number does not include beneficial owners whose shares were held in street name.

We have no current plans to pay dividends on our common stock. Any decision to declare and pay dividends in the future will be made at the sole discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our board of directors may deem relevant. Because we are a holding company and have no direct operations, we will only be able to pay dividends from funds we receive from our subsidiaries. In addition, our ability to pay dividends will be limited by covenants in our existing indebtedness and may be limited by the agreements governing other indebtedness we or our subsidiaries incur in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations − Debt Covenants."

We did not declare or pay any dividends on our common stock in fiscal 2015 or fiscal 2014.

Recent Sales of Unregistered Securities

We did not sell any registered securities during the period covered by this Annual Report on Form 10-K.

Purchases of Equity Securities

There was no purchase by us, on our behalf, or on behalf of any affiliate of our registered equity securities during the period covered by this Annual Report on Form 10-K.

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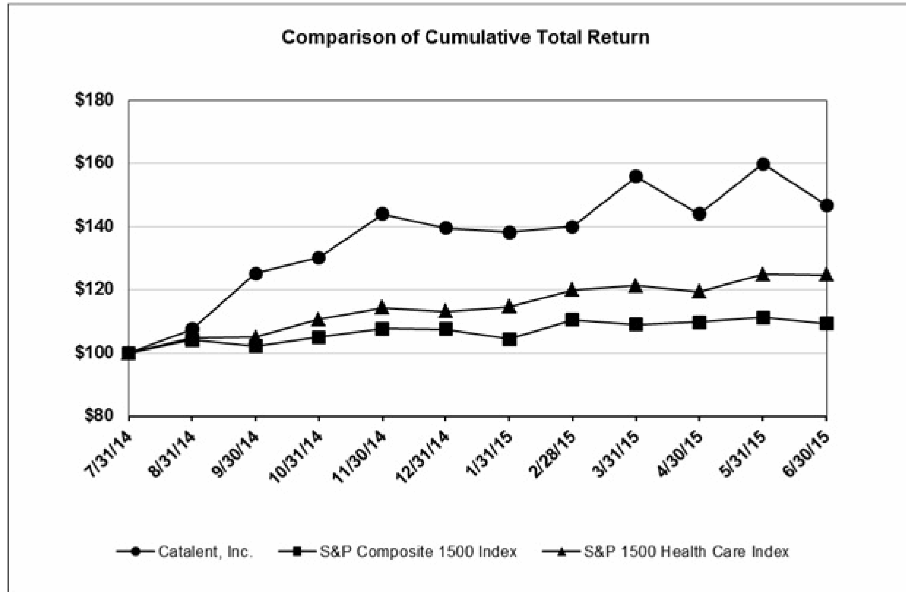
Performance Graph

Set forth below is a line graph comparing the cumulative total shareholder return on the Company's common stock since July 31, 2014 (the date our common stock commenced trading on the NYSE) through June 30, 2015, based on the market price of the Company's common stock and assuming reinvestment of dividends, with the cumulative total shareholder return of companies on the Standard & Poor's Composite 1500 Index and Standard & Poor's 1500 Healthcare Index. The graph assumes that $100 was invested in the Company's common stock and in each index at the market close on July 31, 2014. The stock price performance of the following graph is not necessarily indicative of future stock performance.



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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected historical financial and operating data for, or as of the end of, each of the five years ended June 30, 2015. The selected financial data as of June 30, 2015 and 2014, and for the fiscal years ended June 30, 2015, 2014 and 2013 has been derived from our audited consolidated financial statements included in "Financial Statements and Supplementary Data." The financial data as of June 30, 2013, 2012 and 2011 and for the years ended June 30, 2012 and 2011 have been derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K. This table should be read in conjunction with the Consolidated Financial Statements and the Notes thereto.

	Year Ended June 30,				
(Dollars in millions, except as noted)	2015	2014	2013	2012	2011
Statement of Operations Data:					
Net revenue	$ 1,830.8	$ 1,827.7	$ 1,800.3	$ 1,694.8	$ 1,531.8
Cost of sales	1,215.5	1,229.1	1,231.7	1,136.2	1,029.7
Gross margin	615.3	598.6	568.6	558.6	502.1
Selling, general and administrative expenses	337.3	334.8	340.6	348.1	288.3
Impairment charges and (gain)/loss on sale of assets	4.7	3.2	5.2	1.8	3.6
Restructuring and other	13.4	19.7	18.4	19.5	12.5
Property and casualty (gain)/loss, net [1]	—	—	—	(8.8)	11.6
Operating earnings/(loss)	259.9	240.9	204.4	198.0	186.1
Interest expense, net	105.0	163.1	203.2	183.2	165.5
Other (income)/expense, net	42.4	10.4	25.1	(3.8)	26.0
Earnings/(loss) from continuing operations before income taxes	112.5	67.4	(23.9)	18.6	(5.4)
Income tax expense/(benefit)	(97.7)	49.5	27.0	0.5	23.7
Earnings/(loss) from continuing operations	210.2	17.9	(50.9)	18.1	(29.1)
Earnings/(loss) from discontinued operations, net of tax	0.1	(2.7)	1.2	(41.3)	(21.0)
Net earnings/(loss)	210.3	15.2	(49.7)	(23.2)	(50.1)
Less: Net earnings/(loss) attributable to noncontrolling interest, net of tax	(1.9)	(1.0)	(0.1)	1.2	3.9
Net earnings/(loss) attributable to Catalent	$ 212.2	$ 16.2	$ (49.6)	$ (24.4)	$ (54.0)
Basic earnings per share attributable to Catalent common shareholders:					
Earnings/(loss) from continuing operations	$ 1.77	$ 0.25	$ (0.68)	$ 0.23	$ (0.44)
Net earnings/(loss)	1.77	0.22	(0.66)	(0.33)	(0.72)
Diluted earnings per share attributable to Catalent common shareholders:					
Earnings/(loss) from continuing operations	$ 1.75	$ 0.25	$ (0.68)	$ 0.22	$ (0.44)
Net earnings/(loss)	1.75	0.21	(0.66)	(0.32)	(0.72)

(1) In March 2011, a U.K. based packaging facility was damaged by fire. The 2011 and 2012 amounts reported are net of insurance recovery.

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(Dollars in millions)	Year Ended June 30, 2015	2014	2013	2012	2011
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 151.3	$ 74.4	$ 106.4	$ 139.0	$ 205.1
Goodwill	1,061.5	1,097.1	1,023.4	1,029.9	906.0
Total assets	3,145.4	3,090.2	2,949.5	3,032.1	2,729.1
Long term debt, including current portion and other short term borrowing	1,887.9	2,710.6	2,691.6	2,683.5	2,346.6
Total liabilities	2,505.6	3,457.5	3,359.8	3,382.8	2,939.0
Total shareholders' equity/(deficit)	$ 634.0	$ (371.8)	$ (410.3)	$ (350.7)	$ (209.9)

(Dollars in millions)	Year Ended June 30, 2015	2014	2013	2012	2011
Other Financial Data:					
Capital expenditures	$ 141.0	$ 122.4	$ 122.5	$ 104.2	$ 87.3
Ratio of Earnings to Fixed Charges (2)	2.0x	1.4x	—	1.1x	—
Net cash provided by/(used in) continuing operations:					
Operating activities	171.7	180.2	139.1	87.7	111.6
Investing activities	(271.8)	(175.2)	(122.1)	(538.2)	(83.3)
Financing activities	196.5	(42.1)	(49.3)	352.9	(26.1)
Net cash provided by/(used in) discontinued operations:	0.1	2.1	(1.4)	43.9	21.0
Effect of foreign currency on cash	$ (19.6)	$ 3.0	$ 1.1	$ (12.4)	$ 17.9

(2) The ratio of earnings to fixed charges is calculated by dividing the sum of earnings from continuing operations before income taxes, equity in earnings (loss) from non-consolidated investments and fixed charges, by fixed charges. Fixed charges consist of interest expenses, capitalized interest and imputed interest on our leased obligations. For fiscal years 2011 and 2013, earnings were insufficient to cover fixed charges by $4.0 million and $25.9 million, respectively. For fiscal years 2012, 2014 and 2015, the ratio of earnings to fixed charges was 1.1x, 1.4x, and 2.0x, respectively.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Item 6. Selected Financial Data" and our consolidated financial statements and related notes that appear elsewhere in this Annual Report on Form 10-K. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Item 1A. Risk Factors."

Overview

We are the leading global provider of advanced delivery technologies and development solutions for drugs, biologics and consumer health products. Our oral, injectable, and respiratory delivery technologies provide delivery solutions across the full diversity of the pharmaceutical industry including small molecules, large molecule biologics and consumer health products. Through our extensive capabilities and deep expertise in product development, we help our customers take products to market faster, including nearly half of new drug products approved by the FDA in the last decade. Our advanced delivery technology platforms, broad and deep intellectual property, and proven formulation, manufacturing and regulatory expertise enable our customers to develop more products and better treatments. Across both development and delivery, our commitment to reliably supply our customers' needs is the foundation for the value we provide; annually, we produce more than 70 billion doses for nearly 7,000 customer products. We believe that through our investments in growth-enabling capacity and capabilities, our ongoing focus on operational and quality excellence, the sales of existing customer products, the introduction of new customer products, our patents and innovation activities, and our entry into new markets, we will continue to benefit from attractive and differentiated margins, and realize the growth potential from these areas.

For financial reporting purposes, we present three distinct financial reporting segments based on criteria established by U.S. GAAP: Oral Technologies, Medication Delivery Solutions and Development and Clinical Services. The Oral Technologies segment includes the Softgel Technologies and Modified Release Technologies operating segments.

Oral Technologies

Our Oral Technologies segment provides advanced oral delivery technologies, including formulation, development and manufacturing of oral dose forms for prescription and consumer health products across all phases of a molecule's lifecycle. These oral dose forms include softgel, modified release technologies and immediate release solid oral products. At certain facilities we also provide integrated primary packaging services for the products we manufacture. In fiscal 2015, we generated approximately $787.5 million in revenue from our softgel products and approximately $391.5 million in revenue from our MRT products (including intra-segment revenue of approximately $37.9 million).

Through our Softgel Technologies business, we provide formulation, development and manufacturing services for soft gelatin capsules, or "softgels," which we first commercialized in the 1930s and have continually enhanced. We are the market leader in overall softgel manufacturing, and hold the leading market position in the prescription arena. Our principal softgel technologies include traditional softgel capsules (in which the shell is made from animal-derived materials) and Vegicaps and OptiShell capsules (in which the shell is made from vegetable-derived materials), which are used in a broad range of customer products, including prescription drugs, over-the-counter medications, and vitamins and supplements. Softgel capsules encapsulate liquid, paste or oil-based active compounds in solution or suspension within an outer shell, filling and sealing the capsule simultaneously. We perform all encapsulation within one of our softgel facilities, with active ingredients provided by customers or sourced directly by us. Softgels have historically been used to solve formulation challenges or technical issues for a specific drug, to help improve the clinical performance of compounds, to provide important market differentiation, particularly for over-the-counter compounds, and to provide safe handling of hormonal, potent and cytotoxic drugs. We also participate in the softgel vitamin, mineral and supplement business in selected regions around the world. With the 2001 introduction of our vegetable-derived softgel shell, Vegicaps capsules, consumer health manufacturers have been able to extend the softgel dose form to a broader range of active ingredients and serve patient/consumer populations that were previously inaccessible due to religious, dietary or cultural preferences. In recent years this platform has been extended to pharmaceutical active ingredients via the OptiShell platform. Our Vegicaps and OptiShell capsules are patent protected in most major global markets. Physician and patient studies we have conducted have demonstrated a preference for softgels versus traditional tablet and hard capsule dose forms in terms of ease of swallowing, real or perceived speed of delivery, ability to remove or eliminate unpleasant odor or taste and, for physicians, perceived improved patient adherence with dosing regimens.

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Through our Modified Release Technologies business we provide formulation, development and manufacturing services for fast-dissolve tablets and both proprietary and conventional controlled release products. We launched our orally dissolving tablet business in 1986 with the introduction of Zydis tablets, a unique oral dosage form that is freeze-dried in its package, can be swallowed without water, and typically dissolves in the mouth in less than three seconds. Most often used for indications, drugs and patient groups that can benefit from rapid oral disintegration, the Zydis technology is utilized in a wide range of products and indications, including treatments for a variety of central nervous system-related conditions such as migraines, Parkinson’s Disease, schizophrenia, and pain relief. Zydis tablets continue to be used in new ways by our customers as we extend the application of the technology to new categories, such as for immunotherapies, vaccines and biologics delivery. More recently we have added two new technology platforms to the Modified Release Technologies business portfolio, including the highly flexible OptiDose tab-in-tab technology, already commercially proven in Japan; and the OptiMelt hot melt extrusion technology. We plan to continue to expand the development pipeline of customer products for all of our Modified Release technologies products.

Representative Oral Technologies business customers include Pfizer, Novartis, GlaxoSmithKline, Eli Lilly, Johnson & Johnson and Allergan.

We have fifteen Oral Technologies facilities in ten countries, including three in North America, five in Europe, three in South America and four in the Asia-Pacific region. Our Oral Technologies segment represented approximately 62% of total net revenue for fiscal 2015 on a combined basis before inter-segment eliminations.

Medication Delivery Solutions

Our Medication Delivery Solutions segment provides formulation, development and manufacturing services for delivery of drugs and biologics, administered via injection, inhalation and ophthalmic routes, using both traditional and advanced technologies. Our range of injectable manufacturing offerings includes filling drugs or biologics into pre-filled syringes, with flexibility to accommodate other formats within our existing network, focused increasingly on complex pharmaceuticals and biologics. With our wide variety of technologies we are able to meet a wide range of specifications, timelines and budgets. The complexity of the manufacturing process, the importance of experience and know-how, regulatory compliance, and high start-up capital requirements create significant barriers to entry and, as a result, limit the number of competitors in the market. For example, blow-fill-seal is an advanced aseptic processing technology that uses a continuous process to form, fill with drug, and seal a plastic container in a sterile environment. Blow-fill-seal units are currently used for a variety of pharmaceuticals in liquid form, such as respiratory, ophthalmic and otic products. We are a leader in the outsourced blow-fill-seal market, and operate one of the largest capacity commercial manufacturing blow-fill-seal facilities in the world. Our sterile blow-fill-seal manufacturing has significant capacity and flexibility in its manufacturing configurations. This business provides flexible and scalable solutions for unit-dose delivery of complex formulations such as suspensions and emulsions, products that are temperature, light and/or oxygen-sensitive. We also provide innovative design and engineering container design and manufacturing solutions related to complex container design and manufacturing. Our regulatory expertise can lead to decreased time to commercialization, and our dedicated development production lines support feasibility, stability and clinical runs. We plan to continue to expand our product line in existing and new markets, and in higher margin specialty products with additional respiratory, ophthalmic, injectable and nasal applications. Representative customers include Pfizer, Sanofi-Aventis, Novartis, Roche and Teva.

Our biologics offerings include our formulation development and cell-line manufacturing based on our advanced and patented GPEx technology, which is used to develop stable, high-yielding mammalian cell lines for both innovator and bio-similar biologic compounds. Our GPEx technology can provide rapid cell line development, high biologics production yields, flexibility and versatility. We believe our development stage SMARTag next-generation antibody-drug conjugate technology will provide more precision targeting for delivery of drugs to tumors or other locations, with improved safety versus existing technologies. In fiscal 2013, we launched a new biologics facility in Madison, Wisconsin, with expanded capability and capacity to produce clinical scale biologic supplies; combined with offerings from other businesses of Catalent and external partners, we now provide the broadest range of technologies and services supporting the development and launch of new biologic entities, biosimilars or biobetters to bring a product from gene to market commercialization, faster.

We have five Medication Delivery Solutions manufacturing facilities, including three in North America and two in Europe. Our Medication Delivery Solutions segment represented approximately 14% of total net revenue for fiscal 2015 on a combined basis before inter-segment eliminations.

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Development and Clinical Services

Our Development and Clinical Services segment provides manufacturing, packaging, storage and inventory management for drugs and biologics in clinical trials. We offer customers flexible solutions for clinical supplies production, and provide distribution and inventory management support for both simple and complex clinical trials. This includes dose form manufacturing or over-encapsulation where needed; supplying placebos, comparator drug procurement and clinical packages and kits for physicians and patients; inventory management; investigator kit ordering and fulfillment; and return supply reconciliation and reporting. We support trials in all regions of the world through our facilities and distribution network. In fiscal 2012, we substantially expanded this business via our acquisition of the clinical trial supplies (CTS) business of Aptuit.

We also offer analytical chemical and cell-based testing and scientific services, stability testing, respiratory products formulation and manufacturing, regulatory consulting, and bioanalytical testing for biologic products. Our respiratory product capabilities include development and manufacturing services for inhaled products for delivery via metered dose inhalers, dry powder inhalers and intra-nasal sprays. We also provide formulation development and clinical and commercial manufacturing for conventional and specialty oral dose forms. We provide global regulatory and clinical support services for our customers' regulatory and clinical strategies during all stages of development. Demand for our offerings is driven by the need for scientific expertise and depth and breadth of services offered, as well as by the reliable supply thereof, including quality, execution and performance.

We have eleven Development and Clinical Service facilities, including four in North America, five in Europe and two in the Asia Pacific region. Our Development and Clinical Services segment represented approximately 24% of total net revenue for fiscal 2015 on a combined basis before inter-segment eliminations.

Critical Accounting Policies and Estimates

The following disclosure supplements the descriptions of our accounting policies contained in Note 1 to our Consolidated Financial Statements (the "Consolidated Financial Statements") included elsewhere in this Annual Report on Form 10-K in regard to significant areas of judgment. Management was required to make certain estimates and assumptions during the preparation of the Consolidated Financial Statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities in our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. They also affect the reported amount of net earnings during the reporting periods. Actual results could differ from those estimates. Because of the size of the financial statement elements to which they relate, some of our accounting policies and estimates have a more significant impact on our consolidated financial statements than others.

Management has discussed the development and selection of these critical accounting policies and estimates with the audit committee of the board of directors. A discussion of some of our more significant accounting policies and estimates follows.

Revenues and Expenses

Net Revenue

We sell products and services directly to our pharmaceutical, biotechnology and consumer health customers. The majority of our business is conducted through supply or development agreements. The majority of our revenue is charged on a price-per-unit basis and is recognized either upon shipment or delivery of the product or service. Revenue generated from research and development arrangements are generally priced by project and are recognized either upon completion of the required service or achievement of a specified project phase or milestone.

Our overall net revenue is generally affected by the following factors:

- Changes in the level or timing of research and development activities and sales activities by our customers;
- Fluctuations in overall economic activity within the geographic markets in which we operate;
- Change in the level of competition we face from our competitors;
- New intellectual property we develop and expiration of our patents;
- Changes in prices of our products and services, which are generally relatively stable due to our long-term contracts; and

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- Fluctuations in exchange rates between foreign currencies, in which a substantial portion of our revenues and expenses are denominated, and the U.S. dollar.

Operating Expenses

Cost of sales consists of direct costs incurred to manufacture and package products and costs associated with supplying other revenue-generating services. Cost of sales includes labor costs for employees involved in the production process and the cost of raw materials and components used in the process or product. Cost of sales also includes labor costs of employees supporting the production process, such as production management, quality, engineering, and other support services. Other costs in this category include the external research and development costs on behalf of our customers, depreciation of fixed assets, utility costs, freight, operating lease expenses and other general manufacturing expenses.

Selling, general and administrative expenses consist of all expenditures incurred in connection with the sales and marketing of our products, as well as administrative expenses to support our businesses. The category includes salaries and related benefit costs of employees supporting our sales and marketing, finance, human resources, information technology and legal functions, research and development costs in pursuit of our own proactive development and costs related to executive management. Other costs in this category include depreciation of fixed assets, amortization of our intangible assets, professional fees, and marketing and other expenses to support selling and administrative areas.

Direct expenses incurred by a segment are included in that segment's results. Shared sales and marketing, information technology services and general administrative costs are allocated to each segment based upon the specific activity being performed for each segment or are charged on the basis of the segment's respective revenues or other applicable measurement. Certain corporate expenses are not allocated to the segments. We do not allocate the following costs to the segments:

- Impairment charges and (gain)/loss on sale of assets;
- Equity compensation;
- Restructuring expenses and other special items;
- Sponsor advisory fee and the related termination fee incurred in connection with our initial public offering;
- Noncontrolling interest; and
- Other income/(expense), net.

Our operating expenses are generally affected by the following factors:

- The utilization rate of our facilities: as our utilization rate increases, we achieve greater economies of scale as fixed manufacturing costs are spread over a larger number of units produced;
- Production volumes: as volumes change, the level of resources employed also fluctuate, including raw materials, component costs, employment costs and other related expenses, and our utilization rate may also be affected;
- The mix of different products or services that we sell;
- The cost of raw materials, components and general expense;
- Implementation of cost control measures and our ability to effect cost savings through our Operational Excellence, Lean Manufacturing and Lean Six Sigma programs; and
- Fluctuations in exchange rates between foreign currencies, in which a substantial portion of our revenues and expenses are denominated, and the U.S. dollar.

Allowance for Inventory Obsolescence

We write down our inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of the inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected, additional inventory write-downs may be required resulting in a charge to income in the period such determination was made.

Long-lived and Other Definite-Lived Intangible Assets

We allocate the cost of an acquired company to the tangible and identifiable intangible assets and liabilities acquired, with the remaining amount being recorded as goodwill. Certain intangible assets are amortized over their estimated useful life.

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We assess the impairment of identifiable intangibles if events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Factors that we consider important that could trigger an impairment review include the following:

- Significant under-performance relative to historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy of the overall business;
- Significant negative industry or economic trends; and
- Recognition of goodwill impairment charges.

If we determine that the carrying value of intangibles and/or long-lived assets may not be recoverable based on the existence of one or more of the above indicators of impairment, we measure any impairment based on fair value, which we derive either by the estimated cash flows expected to result from the use of the asset and its eventual disposition or on assumptions we believe marketplace participants would utilize and comparable marketplace information in similar arm's length transactions. We then compare weighted values to the asset's carrying amount. Any impairment loss recognized would represent the excess of the asset's carrying value over its estimated fair value. Significant estimates and judgments are required when estimating such fair values. If it is determined that these assets are impaired, an impairment charge would be recorded and the amount could be material. See Note 4 to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for further discussion.

Goodwill

We account for purchased goodwill and intangible assets with indefinite lives in accordance with *Accounting Standard Codification* ("ASC") 350 *Goodwill, Intangible and Other Assets*. Under ASC 350, goodwill and intangible assets with indefinite lives are tested for impairment at least annually utilizing both qualitative and quantitative assessments. Our annual goodwill impairment test was conducted as of April 1, 2015. We assess goodwill for possible impairment by comparing the carrying value of our reporting units to their fair values. We determine the fair value of our reporting units utilizing estimated future discounted cash flows and incorporate assumptions that we believe marketplace participants would utilize. In addition, we use comparative market information and other factors to corroborate the discounted cash flow results. No reporting units were at risk of failing step one in the goodwill impairment test under the provisions of ASC 350 as of April 1, 2015. See Note 3 to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for further discussion.

Derivative Instruments and Hedging Activities

We may use derivative instruments as part of our overall strategy to manage our exposure to market risks primarily associated with fluctuations in interest rates. As a matter of policy, we do not use derivatives for trading or speculative purposes.

As required by *ASC 815 Derivatives and Hedging* (ASC 815), we record all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest-rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or we elect not to apply hedge accounting under ASC 815.

Income Taxes

In accordance with *ASC 740 Income Taxes* (ASC 740), we account for income taxes using the asset and liability method. The asset and liability method requires recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between tax bases and financial reporting bases of our assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates in the respective jurisdictions in which we operate. Deferred taxes are not provided on the undistributed earnings of subsidiaries outside of the United States when it is expected that these

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earnings will be permanently reinvested. We have not made any provision for U.S. income taxes on the undistributed earnings of foreign subsidiaries as those earnings are considered permanently reinvested in the operations of those foreign subsidiaries.

We had valuation allowances of $82.4 million and $218.2 million as of June 30, 2015 and 2014, respectively, against our deferred tax assets. We considered all available evidence, both positive and negative, in assessing the need for a valuation allowance for deferred tax assets. We evaluated three possible sources of taxable income when assessing the realization of deferred tax assets:

- Future reversals of existing taxable temporary differences;
- Tax planning strategies; and
- Future taxable income exclusive of reversing temporary differences and carryforwards.

We considered the need to maintain a valuation allowance on deferred tax assets based on management's assessment of whether it is more likely than not that deferred tax assets would be realized based on future reversals of existing taxable temporary differences and the ability to generate sufficient taxable income within the carryforward period available under the applicable tax law. The deferred tax liabilities are expected to reverse in the same period and jurisdiction and are of the same character as the temporary differences giving rise to a portion of the deferred tax assets.

During the year ended June 30, 2015, we released the majority of our U.S. federal valuation allowance of $136.7 million based on projected U.S. future earnings in excess of the $294.1 million required to realize its net U.S. federal deferred tax assets. Of the $294.1 million, $329.5 million relates to the federal net operating loss carryforward (NOL), which expires in the years 2028 to 2032. The remaining $35.4 million relates to other net deferred tax liabilities.

The reversal of the valuation allowance was the result of a continuing trend of U.S. taxable income and the expectation that this trend will continue, rather than relying on tax planning strategies to support the realization of deferred tax assets. We have experienced three consecutive years of positive U.S. taxable earnings as of the current quarter and expect to sustain this position in the future, due to the positive impact on U.S. earnings from reduced interest expense resulting from a reduction in our external debt, among other factors.

While the U.S. federal valuation allowance was reversed, the U.S. state valuation allowance on $483.8 million of pre-apportioned state net operating losses were maintained. Due to uncertainty around earnings, apportionment, certain restrictions at the state level, and the history of tax losses, anticipated utilization rates were not sufficient to overcome the negative evidence and allow a release.

ASC 740 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeal or litigation process, based on the technical merits. We recognized no material adjustment in the liability for unrecognized income tax benefits.

The calculation of our income tax liabilities involves dealing with uncertainties in the application of complex domestic and foreign income tax regulations. Unrecognized tax benefits are generated when there are differences between tax positions taken in a tax return and amounts recognized in the Consolidated Financial Statements. Tax benefits are recognized in the Consolidated Financial Statements when it is more likely than not that a tax position will be sustained upon examination. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective income tax rate in a given period could be materially affected. An unfavorable income tax settlement may require the use of cash and result in an increase in our effective income tax rate in the year it is resolved. A favorable income tax settlement would be recognized as a reduction in the effective income tax rate in the year of resolution. At June 30, 2015 and 2014, we recorded unrecognized tax benefits and related interest and penalties of $73.2 million and $65.9 million, respectively.

The anticipated future trends included in our assessment of the realizability of our deferred tax assets are the same assumptions and anticipated future trends that were incorporated into the estimated fair value of our reporting units for purposes of testing goodwill for impairment. Such assumptions and anticipated future trends were also incorporated into other assessments of our tangible and intangible assets for impairment, as applicable. We are not currently relying on any tax-planning strategy to support the realization of deferred tax assets.

New Accounting Pronouncements

Refer to Note 1 to the Consolidated Financial Statements for a description of recent accounting pronouncements.

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Factors Affecting our Performance

Fluctuations in Operating Results

Our financial reporting periods operate on a June 30 fiscal year end. Our revenue and net earnings are generally higher in our third and fourth quarters of each fiscal year. These fluctuations are primarily the result of the timing of our, and our customers', annual operational maintenance periods at locations in Europe and the United Kingdom, the seasonality associated with pharmaceutical and biotechnology budgetary spending decisions, clinical trial and research and development schedules and, to a lesser extent, the time of the year some of our customers' products are in higher demand.

Acquisition and Related Integration Efforts

Our growth and profitability are affected by the acquisitions we are able to complete and the speed at which we integrate those acquisitions into our existing operating platforms. Since January 1, 2012, we have completed nine acquisitions, the largest of which was the February 2012 purchase of the Aptuit CTS business. Since that acquisition, we consolidated one operation in December 2012 and completed the consolidation of a second operation in December 2013. In February 2012, we acquired the remaining 49% ownership interest in our German softgel joint venture. We commenced two joint ventures in China in fiscal 2013 and 2014, and completed the acquisition of the partner's interest in one venture in fiscal 2015. We purchased a softgel operation in Brazil in fiscal 2014 and have integrated it into our softgel business. Further, in October 2014, the Company acquired the remaining shares of Redwood Bioscience Inc. ("Redwood") and its SMARTag ADC technology platform. The acquired business is based in the U.S. and is included in the Medication Delivery Solutions segment. Additionally, in November 2014, the Company acquired 100% of the shares of MTI Pharma Solutions, Inc. ("Micron Technologies"), a company specializing in particle size reduction (micronization), milling and analytical contract services. The acquired business is based in the U.S. and the U.K. and is included in the Development and Clinical Services segment. Our efforts to integrate Redwood and Micron Technologies are substantially complete.

Foreign Exchange Rates

Significant portions of our revenues and costs are affected by changes in foreign exchange rates. Our operating network is global and, as a result, our revenues and operating expenses are influenced by changes in foreign exchange rates. In fiscal 2015, approximately 56% of our revenue was generated from our operations outside the United States. Much of the revenue generated outside the United States and many of the expenses associated with our operations outside the United States are denominated in currencies other than the U.S. dollar, particularly the British pound, the euro, the Brazilian real, the Argentine peso, the Japanese yen and the Australian dollar. Changes in those currencies relative to the U.S. dollar will impact our revenues and expenses.

Components of our Revenue, Costs and Expenses

Revenue

We sell products and services directly to our pharmaceutical, biotechnology and consumer health customers. The majority of our business is conducted through supply or development agreements. Contractual provisions, which may include pricing, are sometimes adjusted through arm's-length negotiations with customers in the course of renewing a contract. Our revenue is charged on a price-per-unit or service basis and is recognized either upon shipment or delivery of the product or service. Revenue generated from research and development arrangements are generally priced by project and are recognized either upon completion of the required service or achievement of a specified project phase or milestone. The broad capabilities we have to serve our customers provides us limited concentration risk with no customer exceeding 10% and no single product generating more than 3% of revenue.

Costs and Expenses

Cost of sales consists of direct costs incurred to manufacture products and costs associated with supplying other revenue-generating services. Cost of sales includes labor costs for employees involved in the production process and the cost of raw materials and components used in the process or product. Cost of sales also includes labor costs of employees supporting the production process, such as production management, quality, engineering, and other support services. Other costs in this category include the external research and development costs, depreciation of fixed assets used in the manufacturing process, utility costs, freight, operating lease expenses and other general manufacturing expenses.

Selling, general and administration expenses consist of all expenditures incurred in connection with the sales and marketing of our products, as well as administrative expenses to support our businesses. The category includes salaries and

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related benefit costs of employees supporting sales and marketing, finance, human resources, information technology, research and development costs and costs related to executive management. Other costs in this category include depreciation of other fixed assets, amortization of our intangible assets, professional fees, marketing and other expenses to support selling and administrative areas.

Trends Affecting Our Business

Industry

We participate in nearly every sector of the $800 billion annual revenue global pharmaceutical industry, including but not limited to the prescription drug and biologic sectors as well as consumer health, which includes the over-the-counter and vitamins and nutritional supplement sectors. Innovative pharmaceuticals continue to play a critical role in the global market, while generic drug share is increasing in both developed and developing markets. Sustained developed market demand and rapid growth in emerging economies is driving the consumer health product growth rate to more than double that for pharmaceuticals. Payors, both public and private, have sought to limit the economic impact of such demand through greater use of generic drugs, access and spending controls and health technology assessment techniques, favoring products that deliver truly differentiated outcomes.

New Molecule Development and R&D Sourcing

Continued strengthening in early stage development pipelines for drugs and biologics, compounded by increasing clinical trial breadth and complexity, sustain our belief in the attractive growth prospects for development solutions. Large companies are in many cases reconfiguring their R&D resources, increasingly involving the appointment of strategic partners for important outsourced functions. Additionally, an increasing portion of compounds in development are from companies who less frequently have full R&D infrastructure, and thus are more likely to need strategic development solutions partners.

Demographics

Aging population demographics in developed countries, combined with health care reforms in many global markets that are expanding access to treatments to a greater proportion of their populations, will continue to drive increases in demand for both pharmaceutical and consumer health products. Increasing economic affluence in developing regions will further increase demand for health care treatments, and we are taking active steps to allow us to participate effectively in these growth regions and product categories.

Finally, we believe the market access and payor pressures our customers face, global supply chain complexity, and the increasing demand for improved treatments will continue to escalate the need for product differentiation, improved outcomes and treatment cost reduction, all of which can often be addressed using our advanced delivery technologies.

Non-GAAP Performance Metrics

Use of EBITDA from continuing operations

Management measures operating performance based on consolidated earnings from continuing operations before interest expense, expense/(benefit) for income taxes and depreciation and amortization, which is further adjusted for the income or loss attributable to noncontrolling interests ("EBITDA from continuing operations"). EBITDA from continuing operations is not defined under U.S. GAAP and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP and is subject to important limitations.

We believe that the presentation of EBITDA from continuing operations enhances an investor's understanding of our financial performance. We believe this measure is a useful financial metric to assess our operating performance from period to period by excluding certain items that we believe are not representative of our core business and use this measure for business planning purposes. In addition, given the significant investments that we have made in the past in property, plant and equipment, depreciation and amortization expenses represent a meaningful portion of our cost structure. We believe that disclosing EBITDA from continuing operations will provide investors with a useful tool for assessing the comparability between periods of our ability to generate cash from operations sufficient to pay taxes, to service debt and to undertake capital expenditures because it eliminates depreciation and amortization expense. We present EBITDA from continuing operations in order to provide supplemental information that we consider relevant for the readers of our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, and such information is not meant to replace or supersede U.S. GAAP

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measures. Our definition of EBITDA from continuing operations may not be the same as similarly titled measures used by other companies.

In addition, we evaluate the performance of our segments based on segment earnings before noncontrolling interest, other (income)/expense, impairments, restructuring costs, interest expense, income tax expense/(benefit), and depreciation and amortization ("Segment EBITDA").

Use of Constant Currency

As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a constant currency basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a constant currency basis as one measure to evaluate our performance. In this Annual Report on Form 10-K, we calculate constant currency by calculating current-year results using prior-year foreign currency exchange rates. We generally refer to such amounts calculated on a constant currency basis as excluding the impact of foreign exchange. These results should be considered in addition to, not as a substitute for, results reported in accordance with U.S. GAAP. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

Fiscal Year Ended June 30, 2015 compared to the Fiscal Year Ended June 30, 2014

Results for the fiscal year ended June 30, 2015 compared to the fiscal year ended June 30, 2014 were as follows:

	Fiscal Year Ended June 30,		FX impact (unfavorable) / favorable	Constant Currency Increase/(Decrease)	
(Dollars in millions)	**2015**	**2014**		**Change $**	**Change %**
Net revenue	$ 1,830.8	$ 1,827.7	$ (117.9)	$ 121.0	7 %
Cost of sales	1,215.5	1,229.1	(82.2)	68.6	6 %
Gross margin	615.3	598.6	(35.7)	52.4	9 %
Selling, general and administrative expenses	337.3	334.8	(11.0)	13.5	4 %
Impairment charges and (gain)/loss on sale of assets	4.7	3.2	(0.1)	1.6	50 %
Restructuring and other	13.4	19.7	(2.0)	(4.3)	(22)%
Operating earnings/(loss)	259.9	240.9	(22.6)	41.6	17 %
Interest expense, net	105.0	163.1	(1.2)	(56.9)	(35)%
Other (income)/expense, net	42.4	10.4	(5.2)	37.2	*
Earnings/(loss) from continuing operations before income taxes	112.5	67.4	(16.2)	61.3	91 %
Income tax expense/(benefit)	(97.7)	49.5	(4.3)	(142.9)	*
Earnings/(loss) from continuing operations	210.2	17.9	(11.9)	204.2	*
Net earnings/(loss) from discontinued operations, net of tax	0.1	(2.7)	—	2.8	*
Net earnings/(loss)	210.3	15.2	(11.9)	207.0	*
Less: Net earnings/(loss) attributable to noncontrolling interest, net of tax	(1.9)	(1.0)	0.1	(1.0)	*
Net earnings/(loss) attributable to Catalent	$ 212.2	$ 16.2	$ (12.0)	$ 208.0	*

* Percentage not meaningful

Net Revenue

Net revenue increased by $121.0 million, or 7%, as compared to the twelve months ended June 30, 2014, excluding the impact of foreign exchange. The increase in net revenue was driven by increased sales across all three reportable segments, led primarily by our Oral Technologies segment.

Gross Margin

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Gross margin increased by $52.4 million, or 9%, as compared to the twelve months ended June 30, 2014, excluding the impact of foreign exchange. On a constant currency basis, gross margin, as a percentage of revenue, increased 60 basis points to 33.4% in the twelve months ended June 30, 2015 as compared to 32.8% in the prior year. The increase in gross margin was primarily due to increased sales across all three reportable segments and a favorable shift in revenue mix within our modified release technologies business within our Oral Technologies segment and within our analytical services integrated operations within our Development and Clinical Services segment. Growth in gross margin was partially offset by an unfavorable shift in product mix from our softgel offering within our Oral Technologies segment.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by $13.5 million, or 4%, as compared to the twelve months ended June 30, 2014, excluding the impact of foreign exchange, primarily due to $12 million of incremental expense related to entities we acquired during the year. The $12 million was primarily comprised of non-cash depreciation and amortization expense of $7 million, integration costs of $4 million, and employee compensation costs of $1 million. In addition, selling, general and administrative expense increased $4.5 million related to our non-cash equity compensation plans as a result of a change from a cash-based long-term incentive plan to an equity-based long-term incentive plan. These costs were partially offset by a $12.9 million reduction in expense due to the elimination of the recurring sponsor advisory fee agreement as a result of our IPO during the first quarter.

Restructuring and Other

Restructuring and other charges of $13.4 million for the twelve months ended June 30, 2015 decreased by $6.3 million, or 32%, compared to the twelve months ended June 30, 2014. The twelve months ended June 30, 2015 included restructuring initiatives enacted to improve cost efficiency primarily related to employee severance expenses. The prior period charges included restructuring initiatives across several of our operations enacted to improve cost efficiency, including site consolidation in pursuit of synergies related to the Aptuit CTS acquisition and employee-related severance expenses during the twelve months ended June 30, 2014.

Interest Expense, net

Interest expense, net, of $105.0 million for the twelve months ended June 30, 2015 decreased by $58.1 million, or 36%, compared to the twelve months ended June 30, 2014, primarily driven by lower levels of outstanding debt as compared to the prior year. The Company redeemed $350 million of Senior Notes and $275 million of Senior Subordinated Notes on August 28, 2014 and September 4, 2014, respectively. In addition, the Company reduced an aggregate of $234.5 million of outstanding borrowings under an unsecured term loan during the first quarter. The funds utilized to reduce our debt levels were generated by proceeds from our IPO, which was completed during the first quarter of fiscal 2015. The decrease in interest expense, net was partially offset by incremental borrowings of $191 million during the second quarter of fiscal 2015 in support of acquisitions.

Other (Income)/Expense, net

Other expense, net of $42.4 million for the twelve months ended June 30, 2015 increased from $10.4 million in the twelve months ended June 30, 2014. The increase was primarily driven by a sponsor advisory fee agreement termination fee of $29.8 million, which we agreed to pay in connection with our IPO. In addition, we incurred $21.8 million of expense associated with the early redemption of our Senior Notes and pre-payment of an unsecured term loan, of which $9.8 million was a cash expense. Offsetting these other expense items were non-recurring non-cash purchase accounting gains, net, of approximately $8.9 million related to acquisitions completed during the period and $2.4 million of non-cash net gains associated with foreign exchange. Other expense, net for the twelve months ended June 30, 2014, was primarily driven by expenses of approximately $11 million related to the May 2014 refinancing of our Senior Secured Credit Facility and the write off of unamortized deferred financing fees. Also included were non-cash unrealized gains related to foreign currency translation, partially offset by realized losses related to foreign currency translation.

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Provision/(Benefit) for Income Taxes

Our benefit for income taxes for the twelve months ended June 30, 2015 was $97.7 million relative to earnings before income taxes of $112.5 million. Our provision for income taxes for the twelve months ended June 30, 2014 was $49.5 million relative to earnings before income taxes of $67.4 million. The income tax benefit for the current period is not comparable to the same period of the prior year due to changes in pretax income over many jurisdictions and the impact of discrete items. Generally, fluctuations in the effective tax rate are primarily due to changes in our geographic pretax income resulting from our business mix and changes in the tax impact of permanent differences, restructuring, other special items and other discrete tax items, which may have unique tax implications depending on the nature of the item. Our effective tax rate at June 30, 2015 reflects the release of the U.S. federal valuation allowance and an increase in a tax reserve related to an adjustment to inter-company interest income in Germany, partially offset by a corresponding deduction in the United Kingdom.

Segment Review

The Company's results on a segment basis for the fiscal year ended June 30, 2015 compared to the fiscal year ended June 30, 2014 were as follows:

	Fiscal Year Ended June 30,		FX impact (unfavorable) / favorable	Constant Currency Increase/(Decrease)	
(Dollars in millions)	2015	2014		Change $	Change %
Oral Technologies					
Net revenue	$ 1,141.1	$ 1,180.1	$ (95.7)	$ 56.7	5%
Segment EBITDA	313.7	324.3	(27.7)	17.1	5%
Medication Delivery Solutions					
Net revenue	261.9	246.1	(15.3)	31.1	13%
Segment EBITDA	53.9	48.7	(2.5)	7.7	16%
Development and Clinical Services					
Net revenue	438.8	412.2	(7.0)	33.6	8%
Segment EBITDA	93.4	83.5	(2.2)	12.1	14%
Inter-segment revenue elimination	(11.0)	(10.7)	0.1	(0.4)	4%
Unallocated Costs (1)	(100.8)	(82.1)	7.5	(26.2)	32%
Combined Total					
Net revenue	$ 1,830.8	$ 1,827.7	$ (117.9)	$ 121.0	7%
EBITDA from continuing operations	$ 360.2	$ 374.4	$ (24.9)	$ 10.7	3%

(1) Unallocated costs includes equity-based compensation, certain acquisition-related costs, impairment charges, certain other corporate directed costs, and other costs that are not allocated to the segments as follows:

	Fiscal Year Ended June 30,	
(Dollars in millions)	2015	2014
Impairment charges and gain/(loss) on sale of assets	$ (4.7)	$ (3.2)
Equity compensation	(9.0)	(4.5)
Restructuring and other special items (2)	(27.2)	(29.4)
Sponsor advisory fee	—	(12.9)
Noncontrolling interest	1.9	1.0
Other income/(expense), net (3)	(42.4)	(10.4)
Non-allocated corporate costs, net	(19.4)	(22.7)
Total unallocated costs	$ (100.8)	$ (82.1)

(2) Segment results do not include restructuring and certain acquisition-related costs.

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(3) Amounts for fiscal 2015 primarily relate to the expense associated with the termination of the sponsor advisory fee agreement of $29.8 million resulting from the IPO, expenses related to financing transactions of $21.8 million, non-recurring non-cash purchase accounting gains of approximately $8.9 million related to acquisitions completed.

Provided below is a reconciliation of earnings/(loss) from continuing operations to EBITDA from continuing operations:

(Dollars in millions)	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Earnings/(loss) from continuing operations	$ 210.2	$ 17.9
Depreciation and amortization	140.8	142.9
Interest expense, net	105.0	163.1
Income tax (benefit)/expense	(97.7)	49.5
Noncontrolling interest	1.9	1.0
EBITDA from continuing operations	$ 360.2	$ 374.4

Oral Technologies segment

Factors Contributing to Year-Over-Year Change	2015 vs. 2014 Fiscal Year Ended June 30, Net Revenue	2015 vs. 2014 Fiscal Year Ended June 30, Segment EBITDA
Organic revenue / Segment EBITDA	4 %	5 %
Impact of acquisitions	1 %	— %
Impact of divestitures / business restructuring	— %	— %
Constant currency change	**5 %**	**5 %**
Foreign exchange fluctuation	(8)%	(9)%
Total % Change	(3)%	(4)%

Oral Technologies’ net revenue increased $56.7 million, or 5%, excluding the impact of foreign exchange. The primary driver was an increase in sales from our modified release technologies business and higher end market demand for certain customer products using our softgel offering totaling approximately $36 million, or 3%, as compared to the twelve months ended June 30, 2014. Revenue also increased as a result of higher revenue from product participation related activities of approximately $20 million, or 2%, as compared to the prior year.

Oral Technologies’ segment EBITDA increased by $17.1 million, or 5%, as compared to the twelve months ended June 30, 2014, excluding the impact of foreign exchange. The increase was primarily driven by increased profit from our product participation related activities coupled with higher revenues and timing of contractual settlements related to our core manufacturing operations within our modified release technologies platform, partially offset by unfavorable product mix in our softgel offering.

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Medication Delivery Solutions segment

Factors Contributing to Year-Over-Year Change	2015 vs. 2014 Fiscal Year Ended June 30,	
	Net Revenue	Segment EBITDA
Organic revenue / Segment EBITDA	12 %	20 %
Impact of acquisitions	1 %	(4)%
Impact of divestitures / business restructuring	— %	— %
Constant currency change	**13 %**	**16 %**
Foreign exchange fluctuation	(7)%	(5)%
Total % Change	6 %	11 %

Net revenue in our Medication Delivery Solutions segment increased by $31.1 million, or 13%, as compared to the twelve months ended June 30, 2014, excluding the impact of foreign exchange, due to increased revenue across all of our offerings. The segment growth was driven by increased demand for products utilizing our blow-fill-seal technology platform of approximately 7%, increased demand from our biologics offerings of approximately 4%, and increased demand for our injectable products at our European pre-filled syringe operations of approximately 2%.

Medication Delivery Solutions' segment EBITDA increased by $7.7 million, or 16%, as compared to the twelve months ended June 30, 2014 excluding the impact of foreign exchange. The increase was primarily attributable to favorable product mix within our blow-fill-seal technology platform and increased profit generated from our biologics offerings, partially offset by unfavorable revenue mix from our injectable products at our European pre-filled syringe operations.

Development and Clinical Services segment

Factors Contributing to Year-Over-Year Change	2015 vs. 2014 Fiscal Year Ended June 30,	
	Net Revenue	Segment EBITDA
Organic revenue / Segment EBITDA	4 %	10 %
Impact of acquisitions	4 %	4 %
Impact of divestitures / business restructuring	— %	— %
Constant currency change	**8 %**	**14 %**
Foreign exchange fluctuation	(2)%	(2)%
Total % Change	6 %	12 %

Development and Clinical Services' net revenue increased by $33.6 million, or 8%, as compared to the twelve months ended June 30, 2014, excluding the impact of foreign exchange. Net revenue increased 4% as a result of the Micron Technologies acquisition completed during the second quarter of fiscal 2015. Organically, the Development and Clinical Services' net revenue increased 4% as compared to the prior year, primarily due to growth in analytical services of $15 million, or 4%, as a result of our integrated oral solids development and manufacturing capabilities.

Development and Clinical Services' segment EBITDA increased by $12.1 million, or 14%, excluding the impact of foreign exchange, as compared to the twelve months ended June 30, 2014. Segment EBITDA increased 4% as a result of the Micron Technologies acquisition discussed above. Excluding the impact of the acquisition, segment EBITDA increased 10%, primarily due to increased demand for our integrated oral solids development and manufacturing capabilities within analytical services.

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Fiscal Year Ended June 30, 2014 compared to Fiscal Year Ended June 30, 2013

Results for the fiscal year ended June 30, 2014 compared to the fiscal year ended June 30, 2013 are as follows:

	Fiscal Year Ended June 30,		FX impact (unfavorable) / favorable	Constant Currency Increase/(Decrease)	
(Dollars in millions)	2014	2013		Change $	Change %
Net revenue	$ 1,827.7	$ 1,800.3	$ (1.6)	$ 29.0	2 %
Cost of products sold	1,229.1	1,231.7	0.2	(2.8)	*
Gross margin	598.6	568.6	(1.8)	31.8	6 %
Selling, general and administrative expenses	334.8	340.6	(0.2)	(5.6)	(2)%
Impairment charges and (gain)/loss on sale of assets	3.2	5.2	0.1	(2.1)	(40)%
Restructuring and other	19.7	18.4	0.1	1.2	7 %
Operating earnings/(loss)	240.9	204.4	(1.8)	38.3	19 %
Interest expense, net	163.1	203.2	1.4	(41.5)	(20)%
Other (income)/expense, net	10.4	25.1	(2.6)	(12.1)	(48)%
Earnings/(loss) from continuing operations before income taxes	67.4	(23.9)	(0.6)	91.9	*
Income tax expense/(benefit)	49.5	27.0	(1.3)	23.8	88 %
Earnings/(loss) from continuing operations	17.9	(50.9)	0.7	68.1	*
Net earnings/(loss) from discontinued operations, net of tax	(2.7)	1.2	—	(3.9)	*
Net earnings/(loss)	15.2	(49.7)	0.7	64.2	*
Less: Net earnings/(loss) attributable to noncontrolling interest, net of tax	(1.0)	(0.1)	—	(0.9)	*
Net earnings/(loss) attributable to Catalent	$ 16.2	$ (49.6)	$ 0.7	$ 65.1	*

* Percentage not meaningful

Net Revenue

Net revenue increased by $29.0 million, or 2%, as compared to the twelve months ended June 30, 2013 excluding the impact of foreign exchange. The increase in net revenue was primarily due to increased demand for our softgel offering within our Oral Technologies segment and increased demand in our Medication Delivery Solutions segment, partially offset by decreased sales within our modified release technologies business included in Oral Technologies attributable to the prior year period including approximately $39 million of packaging services related revenue. In June 2013, we wound down our U.K. packaging services operation and no material revenue is included in the fiscal 2014 period.

Gross Margin

Gross margin increased by $31.8 million, or 6%, as compared to the twelve months ended June 30, 2013 on a constant currency basis. The increase in gross margin was primarily due to a favorable shift in revenue mix within our Medication Delivery Solutions segment and modified release technologies business within our Oral Technologies segment as well as increased demand for our softgel offering within our Oral Technologies segment.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased by $5.6 million, as compared to the twelve months ended June 30, 2013 excluding the impact of foreign exchange, primarily due to decreased integration costs related to the acquisition of the Aptuit CTS business and decreased amortization and depreciation expense, partially offset by employee compensation costs driven by inflationary increases.

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Restructuring and Other

Restructuring and other charges of $19.7 million for the twelve months ended June 30, 2014 increased by $1.3 million, or 7%, compared to the twelve months ended June 30, 2013. The prior period charges primarily related to headcount reduction within our Oral Technologies segment during the twelve months ended June 30, 2013. The twelve months ended June 30, 2014 included restructuring initiatives across several of our operations which were enacted to improve cost efficiency, including the consolidation of our former Allendale clinical services operation into our Philadelphia location and employee related severance expenses.

Interest Expense, net

Interest expense, net of $163.1 million for the twelve months ended June 30, 2014 decreased by $40.1 million, or 20%, compared to the twelve months ended June 30, 2013, primarily driven by the absence of interest-rate swaps in the fiscal 2014 period coupled with a lower average interest-rate as a result of debt refinancing activity that occurred during the third quarter of fiscal 2013.

Other (Income)/Expense, net

Other expense, net of $10.4 million for the twelve months ended June 30, 2014 decreased from $25.1 million in the twelve months ended June 30, 2013. Other expense, net for the twelve months ended June 30, 2013 was primarily driven by expenses related to the October 2012 redemption of certain former senior indebtedness, which included expenses related to call premiums paid and the write-off of unamortized deferred financing fees. Other expense, net of $10.4 million for the twelve months ended June 30, 2014 was primarily driven by expenses of approximately $11 million related to the May 2014 refinancing of our Senior Secured Credit Facility and the write off of unamortized deferred financing fees. Also included were non-cash unrealized gains related to foreign currency translation, partially offset by realized losses related to foreign currency translation.

Provision/(Benefit) for Income Taxes

Our provision for income taxes for the twelve months ended June 30, 2014 was $49.5 million relative to earnings before income taxes of $67.4 million. Our provision for income taxes for the twelve months ended June 30, 2013 was $27.0 million relative to losses before income taxes of $23.9 million. The income tax provision for the fiscal 2014 period is not comparable to the same period of the prior year due to changes in pretax income over many jurisdictions and the impact of discrete items. Generally, fluctuations in the effective tax rate are primarily due to changes in our geographic pretax income resulting from our business mix and changes in the tax impact of permanent differences, restructuring, other special items and other discrete tax items, which may have unique tax implications depending on the nature of the item. Our effective tax rate at June 30, 2014 reflects an increase in a tax reserve related to the potential disallowance of certain tax benefits in the United Kingdom, partially offset by a deferred tax benefit resulting from a reduction in the United Kingdom statutory tax rate during the first quarter of fiscal 2014 and benefits derived from operations outside the United States, which are generally taxed at lower rates than the U.S. statutory rate of 35%.

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Segment Review

The Company's results on a segment basis for the fiscal year ended June 30, 2014 compared to the fiscal year ended June 30, 2013 are as follows:

	Fiscal Year Ended June 30,		FX impact (unfavorable) / favorable	Constant Currency Increase/(Decrease)	
(Dollars in millions)	2014	2013		Change $	Change %
Oral Technologies					
Net revenue	$ 1,180.1	$ 1,186.3	$ (13.5)	$ 7.3	1 %
Segment EBITDA	324.3	315.7	(4)	12.6	4 %
Medication Delivery Solutions					
Net revenue	246.1	219.3	5.6	21.2	10 %
Segment EBITDA	48.7	31.5	1	16.2	51 %
Development and Clinical Services					
Net revenue	412.2	404.8	6.4	1.0	*
Segment EBITDA	83.5	75.0	2.0	6.5	9 %
Inter-segment revenue elimination	(10.7)	(10.1)	(0.1)	(0.5)	5 %
Unallocated Costs(1)	(82.1)	(90.6)	2.5	6.0	(7)%
Combined Total					
Net revenue	$ 1,827.7	$ 1,800.3	$ (1.6)	$ 29.0	2 %
EBITDA from continuing operations	$ 374.4	$ 331.6	$ 1.5	$ 41.3	12 %

*Percentage not meaningful

(1) Unallocated costs includes equity-based compensation, certain acquisition-related costs, impairment charges, certain other corporate directed costs, and other costs that are not allocated to the segments as follows:

	Fiscal Year Ended June 30,	
(Dollars in millions)	2014	2013
Impairment charges and gain/(loss) on sale of assets	$ (3.2)	$ (5.2)
Equity compensation	(4.5)	(2.8)
Restructuring and other special items (2)	(29.4)	(29.0)
Property and casualty losses	—	—
Sponsor advisory fee	(12.9)	(12.4)
Noncontrolling interest	1.0	0.1
Other income/(expense), net (3)	(10.4)	(25.1)
Non-allocated corporate costs, net	(22.7)	(16.2)
Total unallocated costs	$ (82.1)	$ (90.6)

(2) Segment results do not include restructuring and certain acquisition-related costs

(3) Primarily relates to realized and unrealized gains/(losses) related to foreign currency translation and expenses related to financing transactions during the period.

Provided below is a reconciliation of earnings/(loss) from continuing operations to EBITDA from continuing operations:

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(Dollars in millions)	Fiscal Year Ended June 30, 2014	2013
Earnings/(loss) from continuing operations	$ 17.9	$ (50.9)
Depreciation and amortization	142.9	152.2
Interest expense, net	163.1	203.2
Income tax (benefit)/expense	49.5	27.0
Noncontrolling interest	1.0	0.1
EBITDA from continuing operations	$ 374.4	$ 331.6

Oral Technologies segment

Factors Contributing to Year-Over-Year Change	2014 vs. 2013 Fiscal Year Ended June 30,	
	Net Revenue	Segment EBITDA
Organic Growth / Segment EBITDA	1 %	3 %
Impact of acquisitions	2 %	1 %
Impact of divestitures / business restructuring	(2)%	— %
Constant currency change	**1 %**	**4 %**
Foreign exchange fluctuation	(2)%	(1)%
Total % Change	(1)%	3 %

Oral Technologies' net revenue increased $7.3 million during fiscal 2014, or 1%, excluding the impact of foreign exchange. The increase is primarily due to favorable demand for our softgel offering of approximately $29 million, or 2%, as compared to the fiscal year ended June 30, 2013, partially offset by decreased sales of approximately $21 million, or 2% within our modified release technologies business which was attributable to the fiscal 2013 period including approximately $39 million of packaging services related revenue. In June 2013 we wound down our U.K. packaging services operation and no material revenue is included in the fiscal 2014 period.

Oral Technologies' segment EBITDA increased by $12.6 million, or 4%, as compared to the twelve months ended June 30, 2013 excluding the impact of foreign exchange. The increase was primarily driven by favorable product mix in both our softgel offering and modified release technologies platform within our Oral Technologies segment.

Medication Delivery Solutions segment

Factors Contributing to Year-Over-Year Change	2014 vs. 2013 Fiscal Year Ended June 30,	
	Net Revenue	Segment EBITDA
Organic Growth / Segment EBITDA	10%	51%
Impact of acquisitions	—%	—%
Impact of divestitures / business restructuring	—%	—%
Constant currency change	**10%**	**51%**
Foreign exchange fluctuation	2%	4%
Total % Change	12%	55%

Net revenue in our Medication Delivery Solutions segment increased by $21.2 million, or 10%, as compared to the twelve months ended June 30, 2013, excluding the impact of foreign exchange, primarily due to increased demand for injectable products at our European pre-filled syringe operations of approximately $15 million, or 7%, as well as increased demand for products utilizing our blow-fill-seal technology platform of approximately $7 million, or 3%.

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Medication Delivery Solutions' segment EBITDA increased by $16.2 million, or 51%, as compared to the twelve months ended June 30, 2013 excluding the impact of foreign exchange. The increase was primarily attributable to the increased demand for injectable and blow-fill-seal products as noted above.

Development and Clinical Services segment

Factors Contributing to Year-Over-Year Change	2014 vs. 2013 Fiscal Year Ended June 30, Net Revenue	Segment EBITDA
Organic Growth / Segment EBITDA	—%	9%
Impact of acquisitions	—%	—%
Impact of divestitures / business restructuring	—%	—%
Constant currency change	**—%**	**9%**
Foreign exchange fluctuation	2%	2%
Total % Change	2%	11%

Development and Clinical Services' net revenue was level as compared to the twelve months ended June 30, 2013, excluding the impact of foreign exchange. Increased demand from our analytical service operations of approximately $18 million, or 5%, was offset by lower revenue for manufacturing and packaging services of approximately $18 million, or 5%. As we consolidated two of our clinical services operations in pursuit of acquisition synergies, we experienced revenue declines due to the hesitancy of customers to renew or place new business while we transitioned customer clinical studies.

Development and Clinical Services' segment EBITDA increased by $6.5 million, or 9%, excluding the impact of foreign exchange, as compared to the twelve months ended June 30, 2013, primarily due to increased demand for analytical services and favorable revenue mix across the segment, partially offset by decreased demand for manufacturing and packaging services.

Liquidity and Capital Resources

Overview

Our principal source of liquidity has been cash flow generated from operations. The principal uses of cash are to fund planned operating and capital expenditures, business or asset acquisitions, interest payments on debt and any mandatory or discretionary principal payments on our debt. As of June 30, 2015, our financing needs were supported by a five-year $200 million revolving credit facility that matures in May 2019 and is reduced by $11.7 million in letters of credit. The revolving credit facility includes borrowing capacity available for letters of credit and for short-term borrowings, referred to as swing-line borrowings. As of June 30, 2015, we had no outstanding borrowings under our revolving credit facility.

We continue to believe that our cash from operations and available borrowings under the revolving credit facility will be adequate to meet our future liquidity needs for at least the next twelve months. We have no significant debt maturity until the senior secured term loans mature in May 2021.

Cash Flows

Fiscal Year Ended June 30, 2015 Compared to the Fiscal Year Ended June 30, 2014

The following table summarizes our Consolidated Statement of Cash Flows from continuing operations for the fiscal year ended June 30, 2015 compared with the fiscal year ended June 30, 2014:

(in millions)	Fiscal Year Ended June 30, 2015	2014	$ Change
Net cash provided by/(used in):			
Operating activities from continuing operations	$ 171.7	$ 180.2	$ (8.5)
Investing activities from continuing operations	$ (271.8)	$ (175.2)	$ (96.6)
Financing activities from continuing operations	$ 196.5	$ (42.1)	$ 238.6

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Operating activities

For the fiscal year ended June 30, 2015, cash provided by operating activities from continuing operations was $171.7 million compared to $180.2 million for the comparable prior-year period. Cash provided by operating activities decreased compared to the same period last year by $8.5 million driven by net cash outflows associated with working capital changes compared to the previous period. These cash outflows were offset by higher earnings from continuing operations in the fiscal year ended June 30, 2015 as compared to the year ended June 30, 2014 which benefited from lower interest expense in the current year as a result of paying down high-interest debt with proceeds from the IPO.

Investing activities

For the fiscal year ended June 30, 2015, cash used in investing activities from continuing operations was $271.8 million, which primarily related to acquisitions of property, plant and equipment of $138.2 million, intangible asset additions of $2.8 million, and acquisitions of $130.8 million. We acquired the remaining interest in Redwood and purchased the stock of MTI Pharma Solutions, Inc. (Micron Technologies). Cash used in investing activities from continuing operations for the comparable prior-year period was $175.2 million, which was primarily related to the acquisition of property, plant and equipment of $122.4 million and $53.7 million for acquisition activities, including the purchases of a softgel manufacturing business in Brazil and a 67% controlling interest in a softgel manufacturing facility located in Haining, China.

Financing activities

For the fiscal year ended June 30, 2015, cash provided by financing activities was $196.5 million compared to cash used in financing activities of $42.1 million in the same period a year ago. The net proceeds raised in connection with our IPO of $948.8 million were primarily used to fund debt payments in the first quarter of $863.8 million. The current year also includes $12.6 million of call premiums paid in connection with the early termination of certain debt instruments in the period. Additionally, on December 1, 2014, we entered into Amendment No. 1 to our credit agreement to provide additional senior secured financing of incremental dollar and euro-denominated term loan facilities of $100 million and €72.8 million ($91 million), respectively. The proceeds of the borrowing were primarily used to pay the remaining $40.5 million outstanding on the unsecured term loans, fund acquisitions completed in the second quarter of $111.6 million and for general corporate purposes. Although we completed two secondary offerings of our common stock during fiscal 2015, we did not sell shares of our common stock in these offerings and did not receive any of the proceeds.

Fiscal Year Ended June 30, 2014 Compared to the Fiscal Year Ended June 30, 2013

The following table summarizes our Consolidated Statement of Cash Flows from continuing operations for the fiscal year ended June 30, 2014 compared with the fiscal year ended June 30, 2013:

	Fiscal Year Ended June 30,		
(in millions)	**2014**	**2013**	**$ Change**
Net cash provided by/(used in):			
Operating activities from continuing operations	$ 180.2	$ 139.1	$ 41.1
Investing activities from continuing operations	$ (175.2)	$ (122.1)	$ (53.1)
Financing activities from continuing operations	$ (42.1)	$ (49.3)	$ 7.2

Operating activities

For the fiscal year ended June 30, 2014, cash provided by operating activities from continuing operations was $180.2 million compared to $139.1 million for the fiscal 2013 period. Cash provided by operating activities from continuing operations increased compared to the fiscal 2013 period by $41.1 million primarily due to increased revenues and lower interest expense, driven by the absence of interest-rate swaps in the fiscal 2014 period and an overall lower weighted interest-rate as a result of debt refinancing activity during fiscal 2013.

Investing activities

For the fiscal year ended June 30, 2014, cash used in investing activities from continuing operations was $175.2 million, which primarily related to acquisitions of property, plant and equipment of $122.4 million. During the fiscal year ended June 30, 2014, we also expended $53.7 million for acquisition activities, including the purchase of a 100% interest in a softgel manufacturing business in Brazil and a 67% controlling interesting in a softgel manufacturing facility located in Haining, China. There were no acquisitions in the fiscal 2013 period. Cash used in investing activities from continuing operations for

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the comparable prior year period was $122.1 million, which primarily related to the acquisition of property, plant and equipment of $122.5 million.

Financing activities

For the fiscal year ended June 30, 2014, cash used in financing activities was $42.1 million compared to cash used in financing activities of $49.3 million in the fiscal 2013 period. The $42.1 million used in financing activities attributable to the fiscal year ended June 30, 2014 was comprised of $1,741.3 million, in principal payments offset by net borrowings of $1,723.7 million primarily related to refinancing our Secured Credit Agreement during the fourth quarter of fiscal 2014. In addition, a net decrease of $17.5 million in short-term borrowings was due primarily to the full repayment of certain indebtedness acquired in connection with two business combinations executed during the period and the repayment of the short-term borrowings outside of the United States. In the comparable period ended June 30, 2013 cash flows used in financing activities consisted largely of fees paid related to financing activity during the period, normal term loan principal payments and payment of other long-term obligations as well as cash inflows and outflows associated with debt refinancing activities during the year.

Debt and Financing Arrangements

Senior Secured Credit Facilities

On May 20, 2014, we entered into the Amended and Restated Credit Agreement to provide senior secured financing consisting of a seven-year $1,400.0 million term loan (the “Dollar Term Loan”), a seven-year €250.0 million term loan and a five-year $200 million revolving credit facility, the proceeds of which were used to prepay in full all outstanding all term loans under its previous senior secured facility. A $200 million revolving credit facility replaced the prior facility and includes borrowing capacity available for letters of credit and for short-term borrowings, referred to as the swing line borrowings. Borrowings under the term loan facilities and the revolving credit facility bear interest, at our option, at a rate equal to a margin over either (a) a base rate determined by reference to the higher of (1) the rate of interest published by *The Wall Street Journal* as its “prime lending rate” and (2) the federal funds rate plus $^1/_2$ of 1% or (b) a LIBOR rate determined by reference to the London Interbank Offered Rate set by ICE Benchmark Administration (or any successor thereto). The applicable margin for the term loans and borrowings under the revolving credit facility may be reduced if we attain a certain total net leverage ratio. The applicable margin for borrowings is 3.50% for loans based on a LIBOR rate and 2.50% for loans based on the base rate. The LIBOR rate for term loans is subject to a floor of 1.00% and the base rate for term loans is subject to a floor of 2.00%.

On December 1, 2014, we entered into Amendment No. 1 to the Amended and Restated Credit Agreement (as amended, the “Credit Agreement”) to provide additional senior secured financing of incremental Dollar and Euro denominated term loan facilities of $100 million and €72.8 million ($91 million), respectively. The incremental term loans have substantially similar terms as our existing term loan facilities. The proceeds of the borrowing were primarily used to pay the remaining $40.5 million outstanding on the unsecured term loans, fund acquisitions completed in the second quarter of $111.6 million and general corporate purposes.

As of June 30, 2015, there were $11.7 million in outstanding letters of credit, which reduced the borrowing capacity under the $200 million revolving credit facility.

Redemption of Notes and Unsecured Term Loan Prepayment

On July 29, 2014, we provided notice of our election to redeem the entire $350.0 million aggregate principal amount outstanding 7.875% senior notes due 2018 and redeemed them on August 28, 2014 at a redemption price of 101.5% of their principal amount plus accrued and unpaid interest. The redemption was funded with proceeds from the IPO.

On August 5, 2014, we provided notice of its election to redeem the entire €225.0 million aggregate principal amount outstanding of 9.75% senior subordinated notes due 2017 and redeemed them on September 4, 2014 at a redemption price of 101.625% of their principal amount plus accrued and unpaid interest. The redemption was funded with proceeds from the IPO.

On August 6, 2014, we repaid $114.5 million of the outstanding borrowings under the unsecured term loans with proceeds from the IPO. On September 12, 2014, we repaid $120.0 million of the outstanding borrowings under the unsecured term loans with proceeds from the additional shares purchased by the representatives of the underwriters in connection with the IPO. On December 1, 2014, we repaid the remaining $40.5 million outstanding on the unsecured term loans with proceeds from the incremental senior secured term loans.

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Guarantees and Security

All obligations under the Senior Secured Credit Facilities, and the guarantees of those obligations, are secured by substantially all of the following assets of the Company and each guarantor, subject to certain exceptions:

- a pledge of 100% of the capital stock of the borrower and 100% of the equity interests directly held by the borrower and each guarantor in any wholly owned material subsidiary of the borrower or any guarantor (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such non-U.S. subsidiary); and
- a security interest in, and mortgages on, substantially all tangible and intangible assets of the borrower and of each guarantor, subject to certain limited exceptions.

Debt Covenants

The Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, our (and our restricted subsidiaries') ability to incur additional indebtedness or issue certain preferred shares; create liens on assets; engage in mergers and consolidations; sell assets; pay dividends and distributions or repurchase capital stock; engage in certain transactions with affiliates; make investments, loans or advances; make certain acquisitions; enter into sale and leaseback transactions and change our lines of business.

The Credit Agreement also contains change of control provisions and certain customary affirmative covenants and events of default. The revolving credit facility requires compliance with a net leverage covenant when there is a 30% or more draw outstanding at a period end. As of June 30, 2015, we were in compliance with all material covenants related to our long-term debt obligations.

Subject to certain exceptions, our Credit Agreement permits us and our restricted subsidiaries to incur certain additional indebtedness, including secured indebtedness. None of our non-U.S. subsidiaries or Puerto Rico subsidiaries is a guarantor of the loans.

Liquidity in Foreign Subsidiaries

As of June 30, 2015 and June 30, 2014, the amounts of cash and cash equivalents held by foreign subsidiaries were $116.3 million and $53.5 million, respectively, out of the total consolidated cash and cash equivalents of $151.3 million and $74.4 million, respectively. We believe that the amount of funds held by foreign subsidiaries as of such dates not readily convertible into other foreign currencies, including U.S. dollars, was $1.7 million and $3.5 million, respectively. Based on our domestic cash flows from operations and our other sources of liquidity, we believe we have sufficient access to funds for our expected future domestic liquidity needs. Our intent is to continue to reinvest undistributed earnings of our foreign local entities and we do not currently plan to repatriate them to fund our operations in the United States. In the event we need to repatriate funds from outside of the United States, such repatriation would likely be subject to restrictions by local laws and/or tax consequences including foreign withholding taxes or U.S. income taxes. It is not feasible to estimate the amount of U.S. tax that might be payable on the remittance of such earnings.

Historical and Adjusted EBITDA

Under the Credit Agreement, the ability of the Operating Company to engage in certain activities such as incurring certain additional indebtedness, making certain investments and paying certain dividends is tied to ratios based on Adjusted EBITDA (which is defined as "Consolidated EBITDA" in the credit agreement). Adjusted EBITDA is a covenant compliance measure in our Credit Agreement, particularly those covenants governing debt incurrence and restricted payments. Adjusted EBITDA is not defined under U.S. GAAP and is subject to important limitations. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The most directly comparable GAAP measure to EBITDA from continuing operations and Adjusted EBITDA is earnings/(loss) from continuing operations. In calculating Adjusted EBITDA, we add back certain non-cash, non-recurring and other items that are included in the definitions of EBITDA from continuing operations and consolidated net income, as required in the Credit Agreement. Adjusted EBITDA, among other things:

- does not include non-cash stock-based employee compensation expense and certain other non-cash charges;
- does not include cash and non-cash restructuring, severance and relocation costs incurred to realize future cost savings and enhance our operations;

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- adds back noncontrolling interest expense, which represents minority investors' ownership of certain of our consolidated subsidiaries and is, therefore, not available to us; and
- includes estimated cost savings that have not yet been fully reflected in our results.

A reconciliation between earnings / (loss) from continuing operations and Adjusted EBITDA, which also shows the adjustments from EBITDA from continuing operations, follows:

	Twelve Months Ended	
	June 30 2015	June 30, 2014
Earnings/(loss) from continuing operations	$ 210.2	$ 17.9
Interest expense, net	105.0	163.1
Income tax expense/(benefit) [(1)]	(97.7)	49.5
Depreciation and amortization	140.8	142.9
Noncontrolling interest	1.9	1.0
EBITDA from continuing operations	360.2	374.4
Equity compensation	9.0	4.5
Impairment charges and (gain)/loss on sale of assets	4.7	3.2
Financing related expenses and other [(2)]	21.8	11.0
U.S. GAAP Restructuring	13.4	19.7
Acquisition, integration and other special items	13.8	9.8
Foreign exchange loss/(gain) (included in other, net) [(3)]	(2.7)	(3.5)
Other adjustments [(4)]	22.9	0.3
Sponsor advisory fee [(5)]	—	12.9
Subtotal	443.1	432.3
Estimated cost savings	—	—
Adjusted EBITDA	$ 443.1	$ 432.3
FX impact (unfavorable)	$ (27.5)	
Adjusted EBITDA - Constant Currency	$ 470.6	$ 432.3

(1) Represents the amount of income tax-related expense/(benefit) recorded within our net earnings/(loss) that may not result in cash payment or receipt.

(2) Financing-related expenses for the three months ended September 30, 2014 include $20.6 million of early debt termination expenses incurred in connection with the repayment of debt with the net proceeds of the IPO. See footnote 4 for an additional $29.8 million of IPO-related costs; totaling $50.4 million.

(3) Foreign exchange gain of $2.7 million for the twelve months ended June 30, 2015 included $16.4 million of unrealized foreign currency exchange rate gains primarily driven by losses of $31.4 million related to inter-company loans denominated in a currency different from the functional currency of either the borrower or the lender, partially offset by foreign currency exchange gains of $47.8 million driven by the ineffective portion of the net investment hedge related to the Euro-denominated debt. The foreign exchange adjustment was also affected by the exclusion of realized foreign currency exchange rate losses from the non-cash and cash settlement of inter-company loans of $13.7 million. Inter-company loans are between our entities and do not reflect the ongoing results of the Company's trade operations.

Foreign exchange gain of $3.5 million for the twelve months ended June 30, 2014 included $17.1 million of unrealized foreign currency exchange rate gains primarily driven by gains of $26.6 million related to inter-company loans denominated in a currency different from the functional currency of either the borrower or the lender, partially offset by foreign currency exchange losses of $9.5 million driven by the ineffective portion of the net investment

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hedge related to the Euro-denominated debt. The foreign exchange adjustment was also affected by the exclusion of realized foreign currency exchange rate losses from the non-cash and cash settlement of inter-company loans of $13.6 million. Inter-company loans are between our entities and do not reflect the ongoing results of the company's trade operations.

(4) Other Adjustments for the twelve months ended June 30, 2015 includes $29.8 million for a sponsor advisory agreement termination fee paid in connection with the IPO. See footnote 2 for an additional $20.6 million of IPO-related costs; totaling $50.4 million.

(5) Represents the amount of sponsor advisory fee for each respective period. The sponsor advisory fee agreement was terminated in connection with the completion of our IPO.

Interest Rate Risk Management

A portion of the debt used to finance our operations is exposed to interest-rate fluctuations. We may use various hedging strategies and derivative financial instruments to create an appropriate mix of fixed-and floating-rate assets and liabilities. Historically, we have used interest-rate swaps to manage the economic effect of variable rate interest obligations associated with our floating rate term loans so that the interest payable on the term loans effectively becomes fixed at a certain rate, thereby reducing the impact of future interest-rate changes on our future interest expense. As of June 30, 2015, we did not have any interest-rate swap agreements in place that would have the economic effect of modifying the variable interest obligations associated with our floating-rate term loans. During fiscal year 2013, our two U.S. dollar-denominated and one euro-denominated interest-rate swap agreements, which were designated as effective cash flow hedges for financial reporting purposes, matured. Our Japanese yen interest-rate swap, effective as an economic hedge but not designated as effective for financial reporting purposes also matured during fiscal 2013.

Currency Risk Management

We are exposed to fluctuations in the EUR-USD exchange rate on its investments in foreign operations in Europe. While we do not actively hedge against changes in foreign currency, we have mitigated the exposure of our investments in our European operations by denominating a portion of our debt in euros. At June 30, 2015, we had $355.8 million of euro-denominated debt outstanding that qualifies as a hedge of a net investment in foreign operations. Refer to Note 8 to our Consolidated Financial Statements for further discussion of net investment hedge activity in the period.

Periodically, we may utilize forward currency exchange contracts to manage our exposure to the variability of cash flows primarily related to the foreign exchange rate changes of future foreign currency transaction costs. In addition, we may utilize foreign currency forward contracts to protect the value of existing foreign currency assets and liabilities. Currently, we do not utilize foreign currency exchange contracts. We expect to continue to evaluate hedging opportunities for foreign currency in the future.

Contractual Obligations

The following table summarizes our significant contractual obligations as of June 30, 2015:

(Dollars in millions)	Total	Fiscal 2016	Fiscal 2017 - Fiscal 2018	Fiscal 2019 - Fiscal 2020	Thereafter
Long-term debt obligations [1]	$ 1,848.9	$ 22.4	$ 39.2	$ 37.2	$ 1,750.1
Interest on long-term obligations [2]	517.6	84.8	166.1	162.6	104.1
Capital lease obligations [3]	55.5	1.9	4.8	5.9	42.9
Operating lease obligations [4]	35.8	8.4	11.3	8.3	7.8
Purchase obligations [5]	57.6	51.1	4.0	2.5	—
Other long-term liabilities [6]	40.5	2.3	4.4	3.5	30.3
Total	$ 2,555.9	$ 170.9	$ 229.8	$ 220.0	$ 1,935.2

(1) Represents gross maturities of our long-term debt obligations excluding capital lease obligations as of June 30, 2015.

(2) Represents estimated interest payments relating to our long-term obligations including capital lease obligations. Estimated future interest payments on our variable-rate debt obligations were calculated using the interest and exchange rates as of June 30, 2015.

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(3) Represents maturities of our capital lease obligations included within long-term debt as of June 30, 2015.

(4) Represents minimum rental payments for operating leases having initial or remaining non-cancelable lease terms.

(5) Purchase obligations includes agreements to purchase goods or services that are enforceable, specify all significant terms, including the following: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and approximate timing of the transaction. Purchase obligations disclosed above may include estimates of the time period in which cash outflows will occur. Purchase orders entered into in the normal course of business and authorizations to purchase that involve no firm commitment from either party are excluded from the above table. In addition, contracts that can be unilaterally canceled with no termination fee or with proper notice are excluded from our total purchase obligations except for the amount of the termination fee or the minimum amount of goods that must be purchased during the requisite notice period.

(6) Primarily relates to certain long-term employee-related liabilities for operations that we have discontinued.

The table excludes our retirement and other post-retirement benefits ("OPEB") obligations. The timing and amount of payments for these obligations may be affected by a number of factors, including the funded status of the plans. In fiscal 2016, we are not required to make contributions to our plans to satisfy regulatory funding standards. Beyond fiscal 2016, the actual amounts required to be contributed are dependent upon, among other things, interest rates, underlying asset returns and the impact of legislative or regulatory actions related to pension funding obligations. Payments due under our OPEB plans are not required to be funded in advance, but are paid as medical costs are incurred by covered retiree populations, and are principally dependent upon the future cost of retiree medical benefits under our plans. Refer to Note 10 to the Consolidated Financial Statements for further discussion.

Off-Balance Sheet Arrangements

Other than operating leases and letters of credit under the senior secured credit facility, we do not have any material off-balance sheet arrangements as of June 30, 2015. See Note 6 to the Consolidated Financial Statements for further detail.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to cash flow and earnings fluctuations as a result of certain market risks. These market risks primarily relate to changes in interest rates associated with our long-term debt obligations and foreign exchange rate changes.

Interest Rate Risk

The Company has historically used interest-rate swaps to manage the economic effect of variable rate interest obligations associated with our floating-rate term loans so that the interest payable on the term loans effectively becomes fixed at a certain rate, thereby reducing the impact of future interest-rate changes on our future interest expense. As of June 30, 2015, we did not have any interest-rate swap agreements in place that would either have the economic effect of modifying the variable interest obligations associated with our floating-rate term loans or would be considered effective cash flow hedges for financial reporting purposes. Our two U.S. dollar-denominated and one euro-denominated interest-rate swap agreements, which were designated as effective cash flow hedges for financial reporting purposes, matured in April 2013. Our Japanese yen interest-rate swap, effective as an economic hedge but not designated as effective for financial reporting purposes, matured in May 2013.

In February 2013, in connection with the refinancing our €44.9 million term loan, we de-designated €35.0 million of the €240.0 million notional Euribor-based interest-rate swap. Prior to de-designation, the effective portion of the change in fair value of the derivative was recorded as a component of other comprehensive income/(loss). The other comprehensive income/(loss) balance associated with the de-designated portion of the derivative was reclassified to earnings during the second half of fiscal 2013.

Foreign Currency Exchange Risk

By the nature of our global operations, we are exposed to cash flow and earnings fluctuations resulting from foreign exchange rate variation. These exposures are transactional and translational in nature. Since we manufacture and sell our products throughout the world, our foreign currency risk is diversified. Principal drivers of this diversified foreign exchange exposure include the European euro, British pound, Argentinean peso, Brazilian real and Australian dollar. Our transactional exposure arises from the purchase and sale of goods and services in currencies other than the functional currency of our operational units. We also have exposure related to the translation of financial statements of our foreign divisions into U.S. dollars, the functional currency of the parent. The financial statements of our operations outside the U.S. are measured using the local currency as the functional currency. Adjustments to translate the assets and liabilities of these foreign operations in U.S. dollars are accumulated as a component of other comprehensive income/(loss) utilizing period-end exchange rates. Foreign currency transaction gains and losses calculated by utilizing weighted average exchange rates for the period are included in the statements of operations in “other expense, net.” Such foreign currency transaction gains and losses include inter-company loans denominated in non-U.S. dollar currencies.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Catalent, Inc.

We have audited the accompanying consolidated balance sheets of Catalent, Inc. and subsidiaries as of June 30, 2015 and 2014, and the related consolidated statements of operations, comprehensive income/(loss), changes in shareholders' equity/(deficit), and cash flows for each of the three years in the period ended June 30, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Catalent, Inc. and subsidiaries at June 30, 2015 and 2014 and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

MetroPark, New Jersey
September 2, 2015

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Catalent, Inc. and Subsidiaries
Consolidated Statements of Operations
(Dollars in millions, except per share data)

	Year ended June 30,		
	2015	2014	2013
Net revenue	$ 1,830.8	$ 1,827.7	$ 1,800.3
Cost of sales	1,215.5	1,229.1	1,231.7
Gross margin	615.3	598.6	568.6
Selling, general and administrative expenses	337.3	334.8	340.6
Impairment charges and (gain)/loss on sale of assets	4.7	3.2	5.2
Restructuring and other	13.4	19.7	18.4
Operating earnings/(loss)	259.9	240.9	204.4
Interest expense, net	105.0	163.1	203.2
Other (income)/expense, net	42.4	10.4	25.1
Earnings/(loss) from continuing operations before income taxes	112.5	67.4	(23.9)
Income tax expense/(benefit)	(97.7)	49.5	27.0
Earnings/(loss) from continuing operations	210.2	17.9	(50.9)
Net earnings/(loss) from discontinued operations, net of tax	0.1	(2.7)	1.2
Net earnings/(loss)	210.3	15.2	(49.7)
Less: Net earnings/(loss) attributable to noncontrolling interest, net of tax	(1.9)	(1.0)	(0.1)
Net earnings/(loss) attributable to Catalent	$ 212.2	$ 16.2	$ (49.6)
Amounts attributable to Catalent:			
Earnings/(loss) from continuing operations less net income (loss) attributable to noncontrolling interest	212.1	18.9	(50.8)
Net earnings/(loss) attributable to Catalent	212.2	16.2	(49.6)
Earnings per share attributable to Catalent:			
Basic			
Earnings/(loss) continuing operations	1.77	0.25	(0.68)
Net earnings/(loss)	1.77	0.22	(0.66)
Diluted			
Earnings/(loss) continuing operations	1.75	0.25	(0.68)
Net earnings/(loss)	1.75	0.21	(0.66)

The accompanying notes are an integral part of these consolidated financial statements.

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Catalent, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income/(Loss)
(Dollars in millions)

	Year Ended June 30,		
	2015	2014	2013
Net earnings/(loss)	$ 210.3	$ 15.2	$ (49.7)
Other comprehensive income/(loss), net of tax			
Foreign currency translation adjustments	(144.0)	32.4	(47.9)
Defined benefit pension plan	(6.4)	(15.5)	8.7
Deferred compensation/(benefit)	0.6	1.7	0.8
Earnings/(loss) on derivatives for the period	—	—	24.5
Other comprehensive income/(loss), net of tax	(149.8)	18.6	(13.9)
Comprehensive income/(loss)	60.5	33.8	(63.6)
Comprehensive income/(loss) attributable to noncontrolling interest	(1.9)	(0.6)	(0.1)
Comprehensive income/(loss) attributable to Catalent	$ 62.4	$ 34.4	$ (63.5)

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Catalent, Inc. and Subsidiaries
Consolidated Balance Sheets
(Dollars in millions except per share data)

	June 30, 2015	June 30, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 151.3	$ 74.4
Trade receivables, net	372.4	403.7
Inventories	132.9	134.8
Prepaid expenses and other	80.9	74.6
Total current assets	737.5	687.5
Property, plant, and equipment, net	885.2	873.0
Other assets:		
Goodwill	1,061.5	1,097.1
Other intangibles, net	368.7	357.6
Deferred income taxes	64.1	26.3
Other	28.4	48.7
Total assets	$ 3,145.4	$ 3,090.2
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Current liabilities:		
Current portion of long-term obligations and other short-term borrowings	$ 23.8	$ 25.2
Accounts payable	128.2	148.1
Other accrued liabilities	247.0	279.7
Total current liabilities	399.0	453.0
Long-term obligations, less current portion	1,864.1	2,685.4
Pension liability	143.7	154.7
Deferred income taxes	56.3	103.2
Other liabilities	42.5	61.2
Commitment and contingencies (see Note 16)	—	—
Redeemable noncontrolling interest	5.8	4.5
Shareholders' equity/(deficit):		
Common stock $0.01 par value; 1.0 billion and 84,000,000 shares authorized in 2015 and 2014, respectively; 124,319,279 and 74,821,348 shares issued and outstanding in 2015 and 2014, respectively.	1.2	0.7
Preferred stock $0.01 par value; 100 million and 0 authorized in 2015 and 2014, respectively, 0 issued and outstanding in 2015 and 2014.		
Additional paid in capital	1,973.7	1,031.4
Accumulated deficit	(1,166.9)	(1,379.1)
Accumulated other comprehensive income/(loss)	(174.0)	(24.2)
Total Catalent shareholders' equity/(deficit)	634.0	(371.2)
Noncontrolling interest	—	(0.6)
Total shareholders' equity/(deficit)	634.0	(371.8)
Total liabilities, redeemable noncontrolling interest and shareholders' equity/(deficit)	$ 3,145.4	$ 3,090.2

The accompanying notes are an integral part of these consolidated financial statements

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Catalent, Inc. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity/(Deficit)
(Dollars in millions, except share data in thousands)

	Shares of Common Stock	Common Stock	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss)/Income	Noncontrolling Interest	Total Shareholders' Equity/(Deficit)
Balance at June 30, 2012	**74,756.1**	**$ 0.7**	**$ 1,023.2**	**$ (1,345.7)**	**$ (28.9)**	**$ —**	**$ (350.7)**
Equity contribution	40.0		0.7			0.5	1.2
Equity compensation			2.8				2.8
Net earnings/(loss)				(49.6)		(0.1)	(49.7)
Other comprehensive income /(loss), net of tax					(13.9)		(13.9)
Balance at June 30, 2013	**74,796.1**	**0.7**	**1,026.7**	**(1,395.3)**	**(42.8)**	**0.4**	**(410.3)**
Equity contribution	25.2		0.2			(0.4)	(0.2)
Equity compensation			4.5				4.5
Net earnings/(loss)				16.2		(0.6)	15.6
Other comprehensive income /(loss), net of tax					18.6		18.6
Balance at June 30, 2014	**74,821.3**	**0.7**	**1,031.4**	**(1,379.1)**	**(24.2)**	**(0.6)**	**(371.8)**
Equity contribution	48,875.0	0.5	946.1				946.6
Stock option exercises	623.0						
Equity compensation			9.0				9.0
Cash paid, in lieu of equity, for tax withholding			(10.3)				(10.3)
Noncontrolling interest ownership changes			(2.5)			1.0	(1.5)
Net earnings/(loss)				212.2		(0.4)	211.8
Other comprehensive income /(loss), net of tax					(149.8)		(149.8)
Balance at June 30, 2015	**124,319.3**	**$ 1.2**	**$ 1,973.7**	**$ (1,166.9)**	**$ (174.0)**	**$ —**	**$ 634.0**

The accompanying notes are an integral part of these consolidated financial statements

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Catalent, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in millions)

	Year ended June 30,		
	2015	**2014**	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings/(loss)	$ 210.3	$ 15.2	$ (49.7)
Net earnings/(loss) from discontinued operations	0.1	(2.7)	1.2
Earnings/(loss) from continuing operations	**210.2**	**17.9**	**(50.9)**
Adjustments to reconcile (loss)/earnings from continued operations to net cash from operations:			
Depreciation and amortization	140.8	142.9	152.2
Non-cash foreign currency transaction (gains)/losses, net	(16.4)	(17.1)	6.6
Amortization and write off of debt financing costs	16.0	14.0	19.0
Asset impairments and (gain)/loss on sale of assets	4.7	3.2	5.2
Non-cash gain on acquisition	(8.9)	—	—
Call premium and financing fees paid	12.6	7.2	10.8
Equity compensation	9.0	4.5	2.8
Provision/(benefit) for deferred income taxes	(120.7)	(15.1)	8.3
Provision for bad debts and inventory	12.7	9.8	10.4
Change in operating assets and liabilities:			
Decrease/(increase) in trade receivables	(7.5)	(38.0)	(23.6)
Decrease/(increase) in inventories	(19.2)	(8.5)	(10.5)
Increase/(decrease) in accounts payable	(11.7)	(7.6)	17.9
Other accrued liabilities and operating items, net	(49.9)	67.0	(9.1)
Net cash provided by/(used in) operating activities from continuing operations	**171.7**	**180.2**	**139.1**
Net cash provided by/(used in) operating activities from discontinued operations	0.1	(1.9)	(1.4)
Net cash provided by/(used in) operating activities	**171.8**	**178.3**	**137.7**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment and other productive assets	(141.0)	(122.4)	(122.5)
Proceeds from sale of property and equipment	—	0.9	2.9
Payment for acquisitions, net	(130.8)	(53.7)	(2.5)
Net cash provided by/(used in) investing activities from continuing operations	**(271.8)**	**(175.2)**	**(122.1)**
Net cash provided by/(used in) investing activities from discontinued operations	—	4.0	—
Net cash provided by/(used in) investing activities	**(271.8)**	**(171.2)**	**(122.1)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net change in short-term borrowings	—	(17.5)	(3.9)
Proceeds from Borrowing, net	150.4	1,723.7	672.7
Payments related to long-term obligations	(879.8)	(1,741.3)	(708.5)
Call premium and financing fees paid	(12.6)	(7.2)	(10.8)
Equity contribution	948.8	0.2	1.2
Cash paid, in lieu of equity, for tax withholding obligation	(10.3)	—	—
Net cash (used in)/provided by financing activities from continuing operations	**196.5**	**(42.1)**	**(49.3)**
Net cash (used in)/provided by financing activities from discontinued operations	—	—	—
Net cash (used in)/provided by financing activities	**196.5**	**(42.1)**	**(49.3)**
Effect of foreign currency on cash	(19.6)	3.0	1.1
NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS	76.9	(32.0)	(32.6)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	74.4	106.4	139.0
CASH AND EQUIVALENTS AT END OF PERIOD	**$ 151.3**	**$ 74.4**	**$ 106.4**
SUPPLEMENTARY CASH FLOW INFORMATION:			
Interest paid	$ 107.1	$ 153.8	$ 200.1
Income taxes paid, net	$ 34.0	$ 21.0	$ 14.2

The accompanying notes are an integral part of these consolidated financial statements

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Catalent, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Dollars in millions, except per share data)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Catalent, Inc. ("Catalent" or the "Company") directly and wholly owns PTS Intermediate Holdings LLC ("Intermediate Holdings"). Intermediate Holdings directly and wholly owns Catalent Pharma Solutions, Inc. (the "Operating Company"). The financial results of Catalent are primarily comprised of the financial results of Operating Company and its subsidiaries on a consolidated basis.

In July 2014, the Company's board of directors and holders of the requisite number of outstanding shares of its capital stock approved an amendment to the Company's amended and restated certificate of incorporation to effect a 70-for-1 stock split of its outstanding common stock (the "stock split"). The stock split became effective on July 17, 2014 upon the filing of the Company's Certificate of Amendment of the Amended and Restated Certificate of Incorporation with the Delaware Secretary of State. On the effective date of the stock split, (i) each outstanding share of common stock was increased to seventy shares of common stock, (ii) the number of shares of common stock issuable under each outstanding option to purchase common stock was proportionately increased on a one-to-seventy basis, (iii) the exercise price of each outstanding option to purchase common stock was proportionately decreased on a one-to-seventy basis, and (iv) the number of shares underlying each restricted stock unit was proportionately increased on a one-to-seventy basis. All of the share and per share information referenced throughout the financial statements and notes to the consolidated financial statements have been retroactively adjusted to reflect this stock split.

On July 31, 2014, the Company commenced an initial public offering of its common stock (the "IPO"). As part of its IPO, the Company sold a total of 48.9 million shares at a price of $20.50 per share, before underwriting discounts and commissions. Net of these discounts and commissions and other offering expenses, the Company obtained total proceeds from the IPO, including the underwriters' over-allotment option, of $952.2 million, which it used to fully redeem the outstanding Senior Subordinated Notes, redeem the outstanding Senior Notes, repay portions of the Company's unsecured term loan, and pay to Blackstone and certain other shareholders an advisory agreement termination fee of $29.8 million (recorded within other income/(expense), net on the Consolidated Statement of Operations), and for other corporate purposes. The Company's common stock began trading on the New York Stock Exchange (the "NYSE") under the symbol "CTLT" as of the IPO. Refer to Note 6 for further discussion regarding debt repayments.

On March 9, 2015, an affiliate of The Blackstone Group, L.P. that owned shares in the Company ("Blackstone"), Genstar Capital and Aisling Capital (collectively the "selling stockholders") completed a secondary offering of 27.3 million shares of the Company's common stock, including 3.6 million shares sold pursuant to the over-allotment option granted to the underwriters at a price of $29.50 per share before underwriting discounts and commissions. On June 2, 2015, the selling stockholders completed an additional secondary offering of 16.1 million shares, including 2.1 million shares sold pursuant to the over-allotment option, at a price of $29.00 per share, before underwriting discounts and commissions. The Company did not sell any stock in either secondary offering and did not receive any proceeds of the sales. Blackstone's ownership in the Company was reduced to 32.7%following the March offering and to 20.8% following the June offering, and as a result the Company has not qualified as a "controlled company" under applicable NYSE listing standards since March 9, 2015.

We are the leading global provider of development solutions and advanced delivery technologies for drugs, biologics and consumer health products. Through our extensive capabilities and deep expertise in product development, we help our customers bring more products to market, faster. Our advanced delivery technology platforms, the broadest and most diverse combination of intellectual property and proven formulation, manufacturing and regulatory expertise available to the industry, enable our customers to bring more products and better treatments to the market. Across both development and delivery, our commitment to reliably supply our customers' needs serves as the foundation for the value we provide. We operate through four operating segments: Development and Clinical Services, Softgel Technologies, Modified Release Technologies, and Medication Delivery Solutions. We believe that through our prior and ongoing investments in growth-enabling capacity and capabilities, our entry into new markets, our ongoing focus on operational and quality excellence, our innovation activities, the sales of existing customer products, and the introduction of new customer products, we will continue to benefit from attractive margins and realize the growth potential from these areas.

For financial reporting purposes, we present three financial reporting segments based on criteria established by U.S. GAAP: Development and Clinical Services, Oral Technologies and Medication Delivery Solutions. The Oral Technologies segment includes the Softgel Technologies and Modified Release Technologies ("MRT") businesses.

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Oral Technologies

The Company's Oral Technologies segment provides advanced oral delivery technologies, including formulation, development and manufacturing of oral dose forms for prescription and consumer health products across all phases of a molecule's lifecycle. These oral dose forms include softgel, modified release technology and immediate release solid oral technology products. At certain facilities the Company also provides integrated primary packaging services for the products the Company manufactures. In fiscal 2015, the Company generated approximately $787.5 million in revenue from its softgel products and approximately $391.5 million in revenue from its MRT products (including intra-segment revenue of approximately $37.9 million).

Through the Softgel Technologies business, the Company provides formulation, development and manufacturing services for soft gelatin capsules, or "softgels," which the Company first commercialized in the 1930s. The Company is the market leader in overall softgel manufacturing and holds the leading market position in the prescription arena. The Company's principal softgel technologies include traditional softgel capsules (in which the shell is made from animal-derived materials) and Vegicaps and OptiShell capsules (in which the shell is made from vegetable-derived materials), which are used in a broad range of customer products including prescription drugs, over-the-counter medications, and vitamins and supplements. Softgel capsules encapsulate liquid, paste or oil-based active compounds in solution or suspension within an outer shell, filling and sealing the capsule simultaneously. The Company performs all encapsulation within one of the Company's softgel facilities, with active ingredients provided by customers or sourced directly by the Company. Softgels have historically been used to solve formulation challenges or technical issues for a specific drug, to help improve the clinical performance of compounds, to provide important market differentiation, particularly for over-the-counter compounds, and to provide safe handling of hormonal, potent and cytotoxic drugs. The Company also participates in the softgel over-the-counter and vitamin, mineral and supplement business in selected regions around the world. With the 2001 introduction of the Company's vegetable-derived softgel shell, Vegicaps capsules, consumer health manufacturers have been able to extend the softgel dose form to a broader range of active ingredients and serve patient/consumer populations that were previously inaccessible due to religious, dietary or cultural preferences. In recent years this platform has been extended to pharmaceutical active ingredients via the OptiShell platform. The Company's Vegicaps and OptiShell capsules are patent protected in most major global markets. Physician and patient studies that the Company has conducted have demonstrated a preference for softgels versus traditional tablet and hard capsule dose forms in terms of ease of swallowing, real or perceived speed of delivery, ability to remove or eliminate unpleasant odor or taste and, for physicians, perceived improved patient adherence with dosing regimens.

Through the Company's Modified Release Technologies business, the Company provides formulation, development and manufacturing services for fast-dissolve tablets and both proprietary and conventional controlled release products. The Company launched its orally dissolving tablet business in 1986 with the introduction of Zydis tablets, a unique oral dosage form that is freeze-dried in its package, can be swallowed without water, and typically dissolves in the mouth in less than three seconds. Most often used for indications, drugs and patient groups that can benefit from rapid oral disintegration, the Zydis technology is utilized in a wide range of products and indications, including treatments for a variety of central nervous system-related conditions such as migraines, Parkinson's Disease, schizophrenia, and pain relief. Zydis tablets continue to be used in new ways by its customers as the Company extends the application of the technology to new categories, such as for immunotherapies, vaccines and biologics delivery. More recently, the Company has added two new technology platforms to the Modified Release business portfolio, including the highly flexible OptiDose tab-in-tab technology, already commercially proven in Japan, and the OptiMelt hot melt extrusion technology. The Company plans to continue to expand the development pipeline of customer products for all of its modified release technologies. Representative Oral Technologies business customers include Pfizer, Novartis, GlaxoSmithKline, Eli Lilly, Johnson & Johnson and Allergan.

Medication Delivery Solutions

The Company's Medication Delivery Solutions segment provides formulation, development and manufacturing services for delivery of drugs and biologics, administered via injection, inhalation and ophthalmic routes, using both traditional and advanced technologies. The Company's range of injectable manufacturing offerings includes filling drugs or biologics into pre-filled syringes, with flexibility to accommodate other formats within its existing network, focused increasingly on complex pharmaceuticals and biologics. With the Company's wide variety of technologies, it is able to meet a wide range of specifications, timelines and budgets. The complexity of the manufacturing process, the importance of experience and know-how, regulatory compliance, and high start-up capital requirements create significant barriers to entry and, as a result, limit the number of competitors in the market. For example, blow-fill-seal is an advanced aseptic processing technology that uses a continuous process to form, fill with drug, and seal a plastic container in a sterile environment. Blow-fill-seal units are currently used for a variety of pharmaceuticals in liquid form, such as respiratory, ophthalmic and otic products. The Company is a leader in the outsourced blow-fill-seal market, and operates one of the largest capacity commercial manufacturing blow-fill-seal facilities in the world. The Company's sterile blow-fill-seal business provides flexible and scalable solutions for unit-dose delivery of complex formulations

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such as suspensions and emulsions, as well as innovative design and engineering container design and manufacturing solutions. The Company's regulatory expertise can lead to decreased time to commercialization, and its dedicated development production lines support feasibility, stability and clinical runs. The Company plans to continue to expand its product line in existing and new markets, and in higher margin specialty products with additional respiratory, ophthalmic, and injectable applications. Representative customers include Pfizer, Sanofi-Aventis, Novartis, Roche and Teva.

The Company's biologics offerings include its formulation development and cell-line manufacturing based on its advanced and patented Gene Product Expression ("GPEx") technology, which is used to develop stable, high-yielding mammalian cell lines for both innovator and bio-similar biologic compounds. The Company's GPEx technology can provide rapid cell line development, high biologics production yields, flexibility and versatility. The Company believes its development stage SMARTag next-generation antibody-drug conjugate technology will provide more precision targeting for delivery of drugs to tumors or other locations, with improved safety versus existing technologies. In fiscal 2013, the Company launched its new biologics facility in Madison, Wisconsin, with expanded capability and capacity to produce clinical-scale biologic supplies; combined with offerings from other businesses of Catalent and external partners, the Company now provides the broadest range of technologies and services supporting the development and launch of new biologic entities, biosimilars or biobetters to bring a product from gene to market commercialization, faster. Additionally, in fiscal 2015, the Company completed a large-scale expansion at its Winchester, Kentucky manufacturing facility, doubling its footprint to 180,000 square feet.

Development and Clinical Services

The Company's Development & Clinical Services segment provides manufacturing, packaging, storage and inventory management for drugs and biologics in clinical trials. The Company offers customers flexible solutions for clinical supplies production, and provides distribution and inventory management support for both simple and complex clinical trials. This includes dose-form manufacturing or over-encapsulation where needed; supplying placebos, comparator drug procurement and clinical packages and kits for physicians and patients; inventory management; investigator kit ordering and fulfillment; and return supply reconciliation and reporting. The Company supports trials in all regions of the world through its facilities and distribution network. In fiscal 2013, the Company formed a joint venture with ShangPharma Corporation to expand its clinical supply services network into China and acquired the remaining interest in the venture in fiscal 2015.

The Company also offers analytical chemical and cell-based testing and scientific services, stability testing, respiratory products formulation and manufacturing, regulatory consulting, and bioanalytical testing for biologic products. The Company's respiratory product capabilities include development and manufacturing services for inhaled products for delivery via metered dose inhalers, dry powder inhalers and intra-nasal sprays. The Company also provides formulation development and clinical and commercial manufacturing for conventional and specialty oral dose forms. The Company provides global regulatory and clinical support services for its customers' regulatory and clinical strategies during all stages of development. Demand for the Company's offerings is driven by the need for scientific expertise and depth and breadth of services offered, as well as by the reliable supply thereof, including quality, execution and performance. The Company acquired Micron Technologies in November 2014, extending its particle engineering capabilities. The Company is the leading provider of integrated development solutions and one of the leading providers of clinical trial supplies and respiratory products.

Basis of Presentation

These financial statements include all of the Company's subsidiaries, including those operating outside the United States (U.S) and are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). All significant transactions among the Company's businesses have been eliminated.

Reclassifications

The Company made certain reclassifications to conform components of the prior periods' income tax rate reconciliation, which is included in Footnote 9 *Income Taxes*, to current year presentation. There was no impact to the consolidated financial statements as a result of this reclassification.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates include, but are not limited to, allowance for doubtful accounts, inventory and long-lived asset valuation, goodwill and other intangible asset valuation and impairment, equity-based compensation, income taxes, derivative financial instruments and pension plan asset and liability valuation. Actual amounts may differ from these estimated amounts.

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Foreign Currency Translation

The financial statements of the Company's operations outside the U.S. are generally measured using the local currency as the functional currency. Adjustments to translate the assets and liabilities of these foreign operations into U.S. dollars are accumulated as a component of other comprehensive income/(loss) utilizing period-end exchange rates. The currency fluctuation related to certain long-term inter-company loans deemed to not be repayable in the foreseeable future have been recorded within the cumulative translation adjustment, a component of other comprehensive income/(loss). In addition, the currency fluctuation associated with the portion of the Company's euro-denominated debt designated as a net investment hedge is included as a component of other comprehensive income/(loss). Foreign currency transaction gains and losses calculated by utilizing weighted average exchange rates for the period are included in the statements of operations in "other expense, net." Such foreign currency transaction gains and losses include inter-company loans that are long-term in nature.

Revenue Recognition

In accordance with *ASC 605 Revenue Recognition,* the Company recognizes revenue when persuasive evidence of an arrangement exists, product delivery has occurred or the services have been rendered, the price is fixed or determinable and collectability is reasonably assured. In cases where the Company has multiple contracts with the same customer, the Company evaluates those contracts to assess if the contracts are linked or are separate arrangements. Factors the Company considers include the timing of negotiation, interdependency with other contracts or elements and payment terms. The Company and its customers generally view each contract discussion as a separate arrangement.

Manufacturing and packaging service revenue is recognized upon delivery of the product in accordance with the terms of the contract, which specify when transfer of title and risk of loss occurs. Some of the Company's manufacturing contracts with its customers have annual minimum purchase requirements. At the end of the contract year, revenue is recognized for the unfilled purchase obligation in accordance with the contract terms. Development service contracts generally take the form of a fee-for-service arrangement. After the Company has evidence of an arrangement, the price is determinable and there is a reasonable expectation regarding payment, the Company recognizes revenue at the point in time the service obligation is completed and accepted by the customer. Examples of output measures include a formulation report, analytical and stability testing, clinical batch production or packaging and the storage and distribution of a customer's clinical trial material. Development service revenue is primarily driven by the Company's Development and Clinical Services segment.

Arrangements containing multiple elements, including service arrangements, are accounted for in accordance with the provisions of *ASC 605-25, Revenue Recognition: Multiple-Element Arrangements*. The Company determines the separate units of account in accordance with ASC 605-25. If the deliverable meets the criteria of a separate unit of accounting, the arrangement consideration is allocated to each element based upon its relative selling price. In determining the best evidence of selling price of a unit of account the Company utilizes vendor-specific objective evidence ("VSOE"), which is the price the Company charges when the deliverable is sold separately. When VSOE is not available, management uses relevant third-party evidence ("TPE") of selling price, if available. When neither VSOE nor TPE of selling price exists, management uses its best estimate of selling price.

Cash and Cash Equivalents

All liquid investments purchased with an original maturity of three months or less are considered to be cash and equivalents. The carrying value of these cash equivalents approximates fair value.

Receivables and Allowance for Doubtful Accounts

Trade receivables are primarily comprised of amounts owed to the Company through its operating activities and are presented net of an allowance for doubtful accounts. The Company monitors past due accounts on an ongoing basis and establishes appropriate reserves to cover probable losses. An account is considered past due on the first day after its due date. The Company makes judgments as to its ability to collect outstanding receivables and provide allowances when it is assessed that all or a portion of the receivable will not be collected. The Company determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history, the specific customer's ability to pay its obligation to the Company, and the condition of the general economy and the customer's industry. The Company writes off accounts receivable when they become uncollectible.

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Concentrations of Credit Risk and Major Customers

Concentration of credit risk, with respect to accounts receivable, is limited due to the large number of customers and their dispersion across different geographic areas. The customers are primarily concentrated in the pharmaceutical and healthcare industry. The Company normally does not require collateral or any other security to support credit sales. The Company performs ongoing credit evaluations of its customers' financial conditions and maintains reserves for credit losses. Such losses historically have been within the Company's expectations. During fiscal years 2015 and 2014, no single customer exceeded 10% of revenue or accounts receivable.

Inventories

Inventory is stated at the lower of cost or market, using the first-in, first-out ("FIFO") method. The Company provides reserves for excess, obsolete or slow-moving inventory based on changes in customer demand, technology developments or other economic factors. Inventory consists of costs associated with raw material, labor and overhead.

Goodwill

The Company accounts for purchased goodwill and intangible assets with indefinite lives in accordance with *ASC 350 Goodwill, Intangible and Other Assets*. Under ASC 350, goodwill and intangible assets with indefinite lives are not amortized, but instead are tested for impairment at least annually. The Company's annual goodwill impairment test was conducted as of April 1, 2015. The Company assesses goodwill for possible impairment by comparing the carrying value of its reporting units to their fair values. The Company determines the fair value of its reporting units utilizing estimated future discounted cash flows and incorporates assumptions that it believes marketplace participants would utilize. In addition, the Company uses comparative market information and other factors to corroborate the discounted cash flow results.

Property and Equipment and Other Definite Lived Intangible Assets

Property and equipment are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, including capital lease assets that are amortized over the shorter of their useful lives or the terms of the respective leases. The Company generally uses the following range of useful lives for its property and equipment categories: buildings and improvements—5 to 50 years; machinery and equipment—3 to 10 years; and furniture and fixtures—3 to 7 years. Depreciation expense was $94.3 million for the fiscal year ended June 30, 2015, $100.5 million for the fiscal year ended June 30, 2014, and $108.8 million for the fiscal year ended June 30, 2013. Depreciation expense includes amortization of assets related to capital leases. The Company charges repairs and maintenance costs to expense as incurred. The amount of capitalized interest was immaterial for all periods presented.

Intangible assets with finite lives, primarily including customer relationships, patents and trademarks are amortized over their useful lives. The Company evaluates the recoverability of its other long-lived assets, including amortizing intangible assets, if circumstances indicate impairment may have occurred pursuant to *ASC 360 Property, Plant and Equipment*. This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an un-discounted basis, to be generated from such assets. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value through a charge to the Consolidated Statements of Operations. Fair value is determined based on assumptions the Company believes marketplace participants would utilize and comparable marketplace information in similar arm's length transactions. The Company recorded impairment charges related to definite lived intangible assets and property, plant and equipment, net of gains on sale, of approximately $4.7 million, $3.2 million and $5.2 million, as of June 30, 2015, June 30, 2014 and June 30, 2013 respectively.

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Post-Retirement and Pension Plans

The Company sponsors various retirement and pension plans, including defined benefit retirement plans and defined contribution retirement plans. The measurement of the related benefit obligations and the net periodic benefit costs recorded each year are based upon actuarial computations, which require management's judgment as to certain assumptions. These assumptions include the discount rates used in computing the present value of the benefit obligations and the net periodic benefit costs, the expected future rate of salary increases (for pay-related plans) and the expected long-term rate of return on plan assets (for funded plans). The discount rates are derived based on a hypothetical yield curve represented by a series of annualized individual discount rates. The expected long-term rate of return on plan assets is based on the target asset allocation and the average expected rate of growth for the asset classes invested. The average expected rate of growth is derived from a combination of historic returns, current market indicators, the expected risk premium for each asset class and the opinion of professional advisors. The Company uses a measurement date of June 30 for all its retirement and postretirement benefit plans.

Derivative Instruments, Hedging Activities, and Fair Value

Derivatives Instruments

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest-rate, liquidity, and credit risk primarily by managing the amount, sources and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's borrowings. The Company does not net any of its derivative positions under master netting arrangements.

Hedging Activities

The Company's objectives in using interest-rate derivatives are to add stability to interest expense and to manage its exposure to interest-rate movements. To accomplish this objective, the Company has primarily used interest-rate swaps as part of its interest-rate risk management strategy. Interest-rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges for financial reporting purposes is recorded in accumulated other comprehensive income on the balance sheet and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the fiscal year 2013, the Company used such derivatives to hedge the variable cash flows associated with existing variable-rate debt; however, as of June 30, 2015 and June 30, 2014, the Company did not have any such derivatives in place. The ineffective portion of the change in fair value of a derivative is recognized directly in earnings.

The Company is exposed to fluctuations in the EUR-USD exchange rate on its investments in foreign operations in Europe. While the Company does not actively hedge against changes in foreign currency, it has mitigated the exposure of investments in its European operations through a net-investment hedge by denominating a portion of its debt in euros.

Fair Value

The Company is required to measure certain assets and liabilities at fair value, either upon initial measurement or for subsequent accounting or reporting. The Company uses fair value extensively in the initial measurement of net assets acquired in a business combination and when accounting for and reporting on certain financial instruments. The Company estimates fair value using an exit price approach, which requires, among other things, that it determine the price that would be received to sell an asset or paid to transfer a liability in an orderly market. The determination of an exit price is considered from the perspective of market participants, considering the highest and best use of assets and, for liabilities, assuming the risk of non-performance will be the same before and after the transfer. A single estimate of fair value results from a complex series of judgments about future events and uncertainties and relies heavily on estimates and assumptions. When estimating fair value, depending on the nature and complexity of the assets or liability, the Company may use one or all of the following approaches:

- Market approach, which is based on market prices and other information from market transactions involving identical or comparable assets or liabilities.

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- Cost approach, which is based on the cost to acquire or construct comparable assets less an allowance for functional and/or economic obsolescence.
- Income approach, which is based on the present value of the future stream of net cash flows.

These fair value methodologies depend on the following types of inputs:

- Quoted prices for identical assets or liabilities in active markets (called Level 1 inputs).
- Quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are directly or indirectly observable (called Level 2 inputs).
- Unobservable inputs that reflect estimates and assumptions (called Level 3 inputs).

Self-Insurance

The Company is partially self-insured for certain employee health benefits and partially self-insured for product liability and workers compensation claims. Accruals for losses are provided based upon claims experience and actuarial assumptions, including provisions for incurred but not reported losses.

Shipping and Handling

Shipping and handling costs are included in cost of sales in the Consolidated Statements of Operations. Shipping and handling revenue received was immaterial for all periods presented and is presented within net revenues.

Accumulated Other Comprehensive Income/(Loss)

Accumulated other comprehensive income/(loss), which is reported in the accompanying Consolidated Statements of Changes in Shareholders' Equity, consists of net earnings/(loss), foreign currency translation, deferred compensation, minimum pension liability and unrealized gains and losses from derivatives.

Research and Development Costs

The Company expenses research and development costs as incurred. Costs incurred in connection with the development of new offerings and manufacturing process improvements are recorded within selling, general, and administrative expenses. Such research and development costs included in selling, general, and administrative expenses amounted to $12.2 million, $17.5 million and $14.5 million for fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013, respectively. Costs incurred in connection with research and development services the Company provides to customers and services performed in support of the commercial manufacturing process for customers are recorded within cost of sales. Such research and development costs included in cost of sales amounted to $41.3 million, $34.0 million and $35.0 million for fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013, respectively.

Earnings / (Loss) Per Share

The Company reports net earnings (loss) per share in accordance with *ASC 260 Earnings per Share*. Under ASC 260, basic earnings per share, which excludes dilution, is computed by dividing net earnings or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could be exercised or converted into common shares, and is computed by dividing net earnings or loss available to common stockholders by the weighted average of common shares outstanding plus the dilutive potential common shares. Diluted earnings per share include in-the-money stock options, restricted stock units, and restricted stock using the treasury stock method. During a loss period, the assumed exercise of in-the-money stock options has an anti-dilutive effect and therefore, these instruments are excluded from the computation of diluted earnings per share in a loss period.

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Income Taxes

In accordance with *ASC 740 Income Taxes,* the Company accounts for income taxes using the asset and liability method. The asset and liability method requires recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between tax bases and financial reporting bases of the Company's assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates in the respective jurisdictions in which the Company operates. In assessing the ability to realize deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax regulations in each of its tax jurisdictions. The number of years with open tax audits varies depending on the tax jurisdiction. A number of years may lapse before a particular matter is audited and finally resolved. The Company applies ASC 740 to determine the accounting for uncertain tax positions. This guidance clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements and providing guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Equity-Based Compensation

The Company accounts for its equity-based compensation awards in accordance with *ASC 718 Compensation-Stock Compensation.* Under ASC 718, companies recognize compensation expense using a fair value based method for costs related to share-based payments including stock options and restricted stock units. The expense is measured based on the grant date fair value of the awards that are expected to vest, and the expense is recorded over the applicable requisite service period. In the absence of an observable market price for a share-based award, the fair value is based upon a valuation methodology that takes into consideration various factors, including the exercise price of the award, the expected term of the award, the current price of the underlying shares, the expected volatility of the underlying share price based on peer companies, the expected dividends on the underlying shares and the risk-free interest rate.

The terms of the Company's equity-based compensation plans permit shares that are issued upon an employee's exercise of an option to be withheld through a net settlement transaction as a means of paying the exercise price, meeting tax withholding requirements, or both.

Recent Financial Accounting Standards

In July 2015, the Financial Accounting Standards Board ("FASB") issued *Accounting Standards Update No. 2015-11, Simplifying the Measurement of Inventory*. The new standard changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. The standard is effective for public entities for annual and interim periods beginning after December 15, 2016. Early adoption is permitted. Entities are required to disclose the nature and reason for the change in accounting principle in the first interim and annual period of adoption. Catalent is currently evaluating the impact of this standard on its consolidated results of operations and financial position.

In April 2015, the FASB issued *Accounting Standards Update No. 2015-03, Simplifying the Presentation of Debt Issuance Costs*. The new standard requires that debt issuance costs be presented in the balance sheet as a direct reduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. The standard is effective for public entities for annual and interim periods beginning after December 15, 2015. Early adoption is permitted for financial statements that have not been previously issued. The new guidance will be applied on a retrospective basis. Catalent is currently evaluating the impact of this standard on its consolidated results of operations and financial position.

In June 2014, the FASB issued *Accounting Standard Update No. 2014-12 Accounting for Share Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period*. The new standard provides guidance for accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The standard states that a performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. The standard is effective for annual periods beginning after December 15, 2015. Catalent does not expect a material impact on its consolidated results of operations and financial position upon adoption.

In May 2014, the FASB issued *Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers*. The new standard will supersede nearly all existing revenue recognition guidance. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, the standard creates a five-step model that requires a company to exercise judgment when considering the terms of the contracts and all relevant facts and circumstances. The

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five steps require a company to identify customer contracts, identify the separate performance obligations, determine the transaction price, allocate the transaction price to the separate performance obligations and recognize revenue when each performance obligation is satisfied. On July 9, 2015, the FASB approved a one-year deferral of the effective date so that the standard is effective for public entities for annual and interim periods beginning after December 15, 2017. The standard allows for either full retrospective adoption, where the standard is applied to all periods presented, or modified retrospective adoption where the standard is applied only to the most current period presented in the financial statements. Early adoption is permitted. Catalent is currently evaluating the impact of this standard on its consolidated results of operations and financial position.

In April 2014, the FASB issued *Accounting Standards Update No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of an Entity* ("ASU 2014-08"). ASU 2014-08 changes the requirements for reporting discontinued operations under ASC Subtopic 250-20 by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The disclosure requirements for discontinued operations under ASU 2014-08 will be expanded in order to provide users of financial statements with more information about the assets, liabilities, revenues and expenses of discontinued operations. ASU 2014-08 is effective on a prospective basis for (1) all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years, and (2) all businesses that are classified as held for sale on acquisition that occur within annual periods beginning on or after December 15, 2014 and interim periods within those years. Catalent does not expect a material impact on its consolidated results of operations and financial position upon adoption.

In March 2013, the FASB issued *Accounting Standards Update No. 2013-05 Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity.* The new standard resolves the diversity in practice concerning the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets within a foreign entity. The guidance is effective for fiscal years and interim reporting periods within those fiscal years beginning after December 15, 2013. The guidance applies prospectively to derecognition events occurring after the effective date; prior periods are not to be adjusted. Adoption did not have a material impact on the disclosures included in the Company's consolidated financial statements.

In February 2013, the FASB issued *Accounting Standards Update No. 2013-04 Obligations Resulting from Joint and Several Liability Arrangements* ("ASU 2013-04"). ASU 2013-04 provides guidance for the recognition, measurement, and disclosure resulting from joint and several liability arrangements. Examples of obligations that fall within the scope of the guidance include certain debt arrangements, other contractual obligations, and settled litigation. The new guidance is effective on a retrospective basis for fiscal years and interim periods within those fiscal years beginning after December 15, 2013. Adoption did not have a material impact on the disclosures included in the Company's consolidated financial statements.

2. BUSINESS COMBINATIONS

During the twelve months ended June 30, 2015, the Company completed acquisitions which were immaterial, individually and in the aggregate, to the overall consolidated financial position and results of operations of the Company. Notably, in October 2014, the Company acquired the remaining shares of Redwood Bioscience Inc. and its SMARTag Antibody-Drug Conjugate (ADC) technology platform. The acquired business is based in the U.S. and is included in the Medication Delivery Solutions segment. Additionally, in November 2014, the Company acquired 100% of the shares of MTI Pharma Solutions, Inc. (Micron Technologies), a company specializing in particle size reduction (micronization), milling and analytical contract services. The acquired business is based in the U.S. and the U.K. and is included in the Development and Clinical Services segment.

The Company's consolidated balance sheet as of June 30, 2015 includes the fair value allocation for these acquisitions which was completed in the fiscal year. Aggregate purchase consideration for both acquisitions totaled $110.8 million. As a result of the preliminary fair value allocation, the Company recognized intangible assets of $56 million, comprised of $34 million of Customer Relationships and $22 million of Core Technology. The remainder of fair value was allocated to tangible assets acquired and goodwill.

3. GOODWILL

The following table summarizes the changes between June 30, 2015 and June 30, 2014 in the carrying amount of goodwill in total and by reporting segment:

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(Dollars in millions)	Oral Technologies	Medication Delivery Solutions	Development & Clinical Services	Total
Balance at June 30, 2013 [(1)]	$ 833.2	$ —	$ 190.2	$ 1,023.4
Additions/(impairments)	32.6	—	—	32.6
Foreign currency translation adjustments	26.0	—	15.1	41.1
Balance at June 30, 2014	891.8	—	205.3	1,097.1
Additions/(impairments)	2.1	19.9	39.0	61.0
Foreign currency translation adjustments	(81.9)	—	(14.7)	(96.6)
Balance at June 30, 2015	$ 812.0	$ 19.9	$ 229.6	$ 1,061.5

(1) The opening balance is reflective of impairment charges recorded in fiscal 2008 and fiscal 2009 related to the Medication Delivery Solutions segment of approximately $158.0 million.

No goodwill impairment charges were required during the current or comparable prior year period. When required, impairment charges are recorded within the consolidated statements of operations as impairment charges and (gain)/loss on sale of assets.

4. DEFINITE-LIVED LONG-LIVED ASSETS

The Company’s definite-lived long-lived assets include property, plant and equipment as well as other intangible assets with definite lives. Refer to Note 18 Supplemental Balance Sheet Information for details related to property, plant and equipment.

The details of other intangible assets subject to amortization as of June 30, 2015 and June 30, 2014, are as follows:

(Dollars in millions)	Weighted Average Life	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
June 30, 2015				
Amortized intangibles:				
Core technology	18 years	$ 177.6	$ (57.6)	$ 120.0
Customer relationships	14 years	259.2	(81.8)	177.4
Product relationships	12 years	222.9	(151.6)	71.3
Total intangible assets		$ 659.7	$ (291.0)	$ 368.7

(Dollars in millions)	Weighted Average Life	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
June 30, 2014				
Amortized intangibles:				
Core technology	20 years	$ 150.2	$ (53.3)	$ 96.9
Customer relationships	14 years	234.6	(68.0)	166.6
Product relationships	12 years	237.6	(143.5)	94.1
Total intangible assets		$ 622.4	$ (264.8)	$ 357.6

Amortization expense was $46.5 million, $42.4 million, and $43.4 million for the fiscal year ended June 30, 2015, June 30, 2014, and June 30, 2013, respectively. Future amortization expense for the next five years is estimated to be:

(Dollars in millions)	2016	2017	2018	2019	2020
Amortization expense	$ 47.6	$ 46.9	$ 46.8	$ 40.8	$ 26.1

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The Company impaired definite lived intangible assets of $3.4 million in the fiscal year ended June 30, 2015. There was no intangible asset impairment in the fiscal years ended June 30, 2014 and June 30, 2013, respectively.

5. RESTRUCTURING AND OTHER COSTS

The Company has implemented plans to restructure certain operations, both domestically and internationally. The restructuring plans focused on various aspects of operations, including closing and consolidating certain manufacturing operations, rationalizing headcount and aligning operations in a strategic and more cost-efficient structure. In addition, the Company may incur restructuring charges in the future in cases where a material change in the scope of operation with its business occurs.

The following table summarizes the significant costs recorded within restructuring costs:

	Year ended June 30,		
(Dollars in millions)	**2015**	**2014**	**2013**
Restructuring costs:			
Employee-related reorganization (1)	$ 11.5	$ 16.5	$ 15.1
Asset impairments	—	—	0.7
Facility exit and other costs (2)	1.9	3.2	2.6
Total restructuring costs	$ 13.4	$ 19.7	$ 18.4

(1) Employee-related costs consist primarily of severance costs and also include outplacement services provided to employees who have been involuntarily terminated and duplicate payroll costs during transition periods.

(2) Facility exit and other costs consist of accelerated depreciation, equipment relocation costs and costs associated with planned facility expansions and closures to streamline Company operations.

6. LONG-TERM OBLIGATIONS AND OTHER SHORT-TERM BORROWINGS

Long-term obligations and other short-term borrowings consist of the following at June 30, 2015 and June 30, 2014:

(Dollars in millions)	**Maturity**	**June 30, 2015**	**June 30, 2014**
Senior Secured Credit Facilities			
Term loan facility dollar-denominated	May 2021	$ 1,471.0	$ 1,383.9
Term loan facility euro-denominated	May 2021	355.8	338.6
9 3/4 % Senior Subordinated euro-denominated Notes	April 2017	—	293.9
7 7/8 % Senior Notes	October 2018	—	348.7
Senior Unsecured Term Loan Facility	December 2017	—	274.3
$200 million Revolving Credit Facility	May 2019	—	—
Capital lease obligations	2020 to 2032	55.5	64.0
Other obligations	2016 to 2018	5.6	7.2
Total		1,887.9	2,710.6
Less: Current portion of long-term obligations and other short-term borrowings		23.8	25.2
Long-term obligations, less current portion		$ 1,864.1	$ 2,685.4

Senior Secured Credit Facilities

On May 20, 2014, the Operating Company entered into the Amended and Restated Credit Agreement to provide senior secured financing consisting of a seven-year $1,400.0 million dollar term loan (the “Dollar Term Loan”), a seven-year €250.0 million euro term loan (the “Euro Term Loan”) and a five-year $200.0 million revolving credit facility (the "revolving credit facility"), the proceeds of which were used to prepay in full all outstanding Refinancing Dollar Term-1 Loans, Refinancing Dollar Term-2 Loans and Extended Euro Term Loans. The revolving credit facility includes borrowing capacity available for letters of credit and for short-term borrowings, referred to as the swing line borrowings. Borrowings under the term loan facilities and the revolving credit facility bear interest, at the Company’s option, at a rate equal to a margin over either (a) a base rate determined by reference to the higher of (1) the rate of interest published by *The Wall Street Journal* as its “prime lending rate” and (2) the federal funds rate plus one half of 1% or (b) a LIBOR rate determined by reference to the London

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Interbank Offered Rate set by ICE Benchmark Administration (or any successor thereto). The applicable margin for the term loans and borrowings under the revolving credit facility may be reduced subject to the Company attaining a certain total net leverage ratio. The applicable margin for borrowings is 3.50% for loans based on a LIBOR rate and 2.50% for loans based on base rate. The LIBOR rate for term loans is subject to a floor of 1.00% and the base rate for term loans is subject to a floor of 2.00%. Cash paid associated with this financing activity approximated $23.9 million. The Company expensed $7.2 million of unamortized deferred finance costs and debt discounts.

On December 1, 2014, the Operating Company entered into Amendment No. 1 to the Amended and Restated Credit Agreement (as amended, the "Credit Agreement") to provide additional senior secured financing of incremental dollar- and euro- denominated term loan facilities of $100 million and €72.8 million ($91 million), respectively. The incremental term loans have substantially similar terms as Catalent's existing term loan facilities. The proceeds of the borrowing were primarily used to pay the remaining $40.5 million outstanding on the unsecured term loans, fund acquisitions completed in the second quarter of $111.6 million and general corporate purposes. The Company incurred approximately $2.8 million in financing costs, of which $1.2 million was recorded in other (income) / expense, net in the consolidated statement of operations.

As of June 30, 2015, there were $11.7 million in outstanding letters of credit that reduced the borrowing capacity under the approximately $200 million revolving line of credit.

Redemption of Notes and Unsecured Term Loan Prepayment

In July 2014, the Company provided notice of its election to redeem the entire $350.0 million aggregate principal amount outstanding of 7.875% senior notes due 2018 and redeemed them in August 2014 at a redemption price of 101.5% of their principal amount plus accrued and unpaid interest. The redemption was funded with proceeds from the IPO. In connection with the redemption the Company recorded $5.3 million in expense related to the call premium and expensed $5.9 million of unamortized debt discount and deferred financing costs, both in other (income) / expense, net in the consolidated statements of operations.

In August 2014, the Company provided notice of its election to redeem the entire €225.0 million aggregate principal amount outstanding of 9.75% senior subordinated notes due 2017 and redeemed them in September 2014 at a redemption price of 101.625% of their principal amount plus accrued and unpaid interest. The redemption was funded with proceeds from the IPO. In connection with the redemption the Company recorded $4.5 million in expense related to the call premium and expensed $4.0 million of unamortized debt discount and deferred financing costs, both in other (income) / expense, net in the consolidated statements of operations.

In August 2014, the Company repaid $114.5 million of the outstanding borrowings under the unsecured term loans with proceeds from the IPO. In September 2014, the Company repaid $120.0 million of the outstanding borrowings under the unsecured term loans with proceeds from the additional shares purchased by the representatives of the underwriters in connection with the IPO. In connection with the debt payments, the Company expensed $0.9 million of unamortized debt discount and deferred financing costs in other (income) / expense, net in the consolidated statements of operations. In December 2014, the Company paid the remaining $40.5 million outstanding on the unsecured term loans with proceeds from the incremental senior secured term loans.

Long-Term and Other Obligations

Other obligations consist primarily of capital leases for buildings and other loans for business and working capital needs.

Maturities of long-term obligations, including capital leases of $55.5 million, and other short-term borrowings for future fiscal years are:

(Dollars in millions)	2016	2017	2018	2019	2020	Thereafter	Total
Maturities of long-term and other obligations	$ 24.3	22.9	21.1	21.4	21.7	1,793.0	$ 1,904.4

Debt Issuance Costs

Debt issuance costs are capitalized within prepaid expenses and other assets on the balance sheet and amortized over the life of the related obligation through charges to interest expense in the Consolidated Statements of Operations. The unamortized total of debt issuance costs were approximately $9.5 million and $19.7 million as of June 30, 2015 and June 30, 2014, respectively. Amortization of debt issuance costs, excluding amounts expensed as part of the current year financing activity, totaled $2.2 million and $10.2 million for the fiscal years ended June 30, 2015 and June 30, 2014, respectively.

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Guarantees and Security

All obligations under the Senior Secured Credit Facilities, and the guarantees of those obligations, are secured by substantially all of the following assets of the Operating Company and each guarantor, subject to certain exceptions:

- a pledge of 100% of the capital stock of the borrower and 100% of the equity interests directly held by the borrower and each guarantor in any wholly owned material subsidiary of the borrower or any guarantor (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such non-U.S. subsidiary); and
- a security interest in, and mortgages on, substantially all tangible and intangible assets of the borrower and of each guarantor, subject to certain limited exceptions.

Debt Covenants

The Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the Company's (and the Company's restricted subsidiaries') ability to incur additional indebtedness or issue certain preferred shares; create liens on assets; engage in mergers and consolidations; sell assets; pay dividends and distributions or repurchase capital stock; engage in certain transactions with affiliates; make investments, loans or advances; make certain acquisitions; enter into sale and leaseback transactions and change its lines of business.

The Credit Agreement also contains change of control provisions and certain customary affirmative covenants and events of default. The revolving credit facility requires compliance with a net leverage covenant when there is a 30% or more draw outstanding at a period end. As of June 30, 2015, the Company was in compliance with all material covenants related to its long-term obligations.

Subject to certain exceptions, the Credit Agreement permits the Company and its restricted subsidiaries to incur certain additional indebtedness, including secured indebtedness. None of the Company's non-U.S. subsidiaries or Puerto Rico subsidiaries is a guarantor of the loans.

Under the Credit Agreement, the Company's ability to engage in certain activities such as incurring certain additional indebtedness, making certain investments and paying certain dividends is tied to ratios based on Adjusted EBITDA (which is defined as "Consolidated EBITDA" in the Credit Agreement). Adjusted EBITDA is based on the definitions in the Credit Agreement and is not defined under U.S. GAAP, and is subject to important limitations.

Fair Value of Debt Measurements

The estimated fair value of the long-term debt, which is considered a Level 2 liability, is based on the quoted market prices for the same or similar issues or on the current rates offered for debt of the same remaining maturities and considers collateral, if any. The carrying amounts and the estimated fair values of financial instruments as of June 30, 2015 and June 30, 2014 are as follows:

	June 30, 2015		June 30, 2014	
(Dollars in millions)	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Long-term debt and other	$ 1,887.9	$ 1,854.7	$ 2,710.6	$ 2,680.2

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7. EARNINGS PER SHARE

The reconciliations between basic and diluted earnings per share attributable to Catalent common shareholders for the fiscal years ended June 30, 2015, 2014 and 2013 are as follows (in millions, except per share data):

	Year ended June 30,					
	2015		2014		2013	
Earnings / (loss) from continuing operations less net income / (loss) attributable to noncontrolling interest	$	212.1	$	18.9	$	(50.8)
Earnings / (loss) from discontinued operations		0.1		(2.7)		1.2
Net earnings / (loss) attributable to Catalent	$	212.2	$	16.2	$	(49.6)
Weighted average shares outstanding		119,575,568		75,045,147		74,970,628
Dilutive securities issuable-stock plans		1,773,068		1,078,710		—
Total weighted average diluted shares outstanding		121,348,636		76,123,857		74,970,628
Basic earnings per share of common stock:						
Earnings / (loss) from continuing operations	$	1.77	$	0.25	$	(0.68)
Earnings / (loss) from discontinued operations		—		(0.03)		0.02
Net earnings / (loss) attributable to Catalent	$	1.77	$	0.22	$	(0.66)
Diluted earnings per share of common stock-assuming dilution:						
Earnings / (loss) from continuing operations	$	1.75	$	0.25	$	(0.68)
Earnings / (loss) from discontinued operations		—		(0.04)		0.02
Net earnings / (loss) attributable to Catalent	$	1.75	$	0.21	$	(0.66)

The computation of diluted earnings per share for June 30, 2015 and 2014 excludes the effect of potential shares issuable under the Company's pre-IPO employee stock option plan of 2.1 million and 2.3 million options, respectively, because the vesting provisions of those awards specify performance or market-based conditions that had not been met as of the period end. The computation of diluted earnings per share for June 30, 2013 excludes the effect of the potential common shares issuable under the employee stock option plan of approximately 6.5 million shares, and excludes restricted share awards of 0.3 million, because the Company had a net loss for the year and the effect would therefore be anti-dilutive.

8. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives

The Company is exposed to fluctuations in the applicable exchange rate on its investments in foreign operations. While the Company does not actively hedge against changes in foreign currency, the Company has mitigated the exposure of its investments in its European operations by denominating a portion of its debt in euros. At June 30, 2015, the Company had euro-denominated debt outstanding of $355.8 million that qualifies as a hedge of a net investment in foreign operations. For non-derivatives designated and qualifying as net investment hedges, the effective portion of the translation gains or losses are reported in accumulated other comprehensive income/(loss) as part of the cumulative translation adjustment. The ineffective portions of the translation gains or losses are reported in the statement of operations. The following table includes net investment hedge activity during fiscal year ended June 30, 2015 and June 30, 2014:

(Dollars in millions)	June 30, 2015		June 30, 2014	
Unrealized foreign exchange gain/(loss) within other comprehensive income	$	30.0	$	(13.6)
Unrealized foreign exchange gain/(loss) within statement of operations	$	47.7	$	(9.6)

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The net accumulated gain of this net investment as of June 30, 2015 within other comprehensive income/(loss) was approximately $79.5 million. Amounts are reclassified out of accumulated other comprehensive income/(loss) into earnings when the entity to which the gains and losses reside is either sold or substantially liquidated.

Cash Flow Hedges of Interest Rate Risk

During fiscal 2013, the Company's two U.S. dollar-denominated and one euro-denominated interest-rate swap agreements, which were designated as effective cash flow hedges for financial reporting purposes, matured. Its Japanese yen interest-rate swap, effective as an economic hedge but not designated as effective for financial reporting purposes also matured during fiscal 2013. As of June 30, 2015, the Company did not have any interest-rate swap agreements in place that would have the economic effect of modifying the variable interest obligations associated with our floating rate term loans.

On February 28, 2013, in connection with the refinancing of the Company's €44.9 million term loan, Catalent de-designated €35.0 million of the €240.0 million notional Euribor-based interest-rate swap. Prior to de-designation, the effective portion of the change in fair value of the derivative was recorded as a component of other comprehensive income/(loss). The other comprehensive income/(loss) balance associated with the de-designated portion of the derivative was reclassified to earnings when the originally hedged forecasted interest payments on the hedged debt affected earnings. The amount of losses reclassified into earnings as a result of the discontinuance of a portion of the Euribor-based interest-rate swap as a cash flow hedge for the fiscal year ended June 30, 2013 was $0.1 million.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Consolidated Statement of Operations for the fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013,

(Dollars in millions)	The Effect of Derivative Instruments on the Consolidated Statement of Operations for the Fiscal Years Ended June 30, 2015, June 30, 2014 and June 30, 2013				
Derivatives in ASC 815 Cash Flow Hedging Relationships	**Amount of (Gain) or Loss Recognized in OCI on Derivative (Effective Portion)**	**Location of (Gain) or Loss Reclassified from Accumulated OCI into Income (Effective Portion)**	**Amount of (Gain) or Loss Reclassified from Accumulated OCI into Income (Effective Portion)**	**Location of (Gain) or Loss Recognized in Income on Derivative (Ineffective Portion and Amount excluded from Effectiveness Testing)**	**Amount of (Gain) or Loss Recognized in Income on Derivative (Ineffective Portion and Amount excluded from Effectiveness Testing)**
Fiscal Year 2015:					
Interest Rate Swaps	$ —	Interest expense, net	$ —	Other (income)/expense, net	$ —
Fiscal Year 2014:					
Interest Rate Swaps	$ —	Interest expense, net	$ —	Other (income)/expense, net	$ —
Fiscal Year 2013:					
Interest Rate Swaps	$ 1.1	Interest income/ (expense), net	$ 21.6	Other (income)/expense, net	$ 0.1

9. INCOME TAXES

Earnings/(loss) from continuing operations before income taxes and discontinued operations are as follows for the fiscal years ended 2015, 2014, and 2013:

(Dollars in millions)	Fiscal Year Ended June 30,		
	2015	**2014**	**2013**
U.S. Operations	$ 25.8	$ (75.6)	$ (124.9)
Non-U.S. Operation	$ 86.7	$ 143.0	$ 101.0
	$ 112.5	$ 67.4	$ (23.9)

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The provision /(benefit) for income taxes consists of the following for the fiscal years ended 2015, 2014, and 2013:

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Current:			
Federal	$ —	$ —	$ (0.4)
State and local	(0.8)	(1.2)	(2.4)
Non-U.S.	31.9	55.7	21.2
Total	$ 31.1	$ 54.5	$ 18.4
Deferred:			
Federal	$ (125.3)	$ 5.3	$ 8.8
State and local	(1.1)	0.4	(0.3)
Non-U.S.	(2.4)	(10.7)	0.1
Total	(128.8)	(5.0)	8.6
Total provision/(benefit)	$ (97.7)	$ 49.5	$ 27.0

A reconciliation of the provision/(benefit) based on the federal statutory income tax rate to the Company's effective income tax rate is as follows for the fiscal years ended 2015, 2014, and 2013:

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Provision at U.S. federal statutory tax rate	$ 39.4	$ 23.6	$ (8.4)
State and local income taxes	(2.4)	0.6	0.6
Foreign tax rate differential	(23.9)	(25.5)	(15.1)
Permanent items	1.7	24.6	52.6
Unrecognized tax positions	14.7	34.2	—
Tax valuation allowance	(133.2)	(9.5)	3.8
Foreign tax credit - Non U.S.	(0.1)	(0.8)	(3.3)
Withholding tax and other foreign taxes	1.4	6.2	4.7
Change in tax rate	1.3	(5.0)	(4.6)
Tax effect of OCI deferred taxes - U.S.	—	—	2.9
Foreign currency impact on permanently reinvested loans	2.7	—	—
Other	0.7	1.1	(6.2)
	$ (97.7)	$ 49.5	$ 27.0

The income tax benefit for the current period is not comparable to the same period of the prior year due to changes in pretax income over many jurisdictions and the impact of discrete items. Generally, fluctuations in the effective tax rate are primarily due to changes in the geographic mix of pretax income and changes in the tax impact of permanent differences, restructuring, other special items and other discrete tax items, which may have unique tax implications depending on the nature of the item. The effective tax rate at June 30, 2015 reflects the release of the U.S. federal valuation allowance and an increase in a tax reserve related to an adjustment to inter-company interest income in Germany, partially offset by a corresponding deduction in the United Kingdom due to enacted tax rate changes.

As of June 30, 2015, the Company had $412.5 million of undistributed earnings from non-U.S. subsidiaries that are intended to be permanently reinvested in non-U.S. operations. As these earnings are considered permanently reinvested, no U.S. tax provision has been accrued related to the repatriation of these earnings. It is not feasible to estimate the amount of U.S. tax that might be payable on the eventual remittance of such earnings.

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Deferred income taxes arise from temporary differences between financial reporting and tax reporting bases of assets and liabilities, and operating loss and tax credit carryforwards for tax purposes. The components of the deferred income tax assets and liabilities are as follows at June 30, 2015 and 2014:

	Fiscal Year Ended June 30,	
(Dollars in millions)	**2015**	**2014**
Deferred income tax assets:		
Accrued liabilities	$ 24.0	$ 25.1
Equity compensation	8.4	10.0
Loss and tax credit carryforwards	204.0	196.2
Foreign currency	18.4	23.2
Pension	38.8	50.6
Property-related	9.7	11.8
Intangibles	10.5	16.3
Other	17.1	16.9
Other comprehensive income	4.1	4.0
Total deferred income tax assets	335.0	354.1
Valuation allowance	(82.4)	(218.2)
Net deferred income tax assets	$ 252.6	$ 135.9

	Fiscal Year Ended June 30,	
(Dollars in millions)	**2015**	**2014**
Deferred income tax liabilities:		
Accrued liabilities	(0.6)	(0.2)
Equity compensation	—	—
Foreign currency	(0.4)	(0.1)
Property-related	(44.5)	(15.1)
Goodwill and other intangibles	(156.1)	(164.7)
Other	(1.8)	(1.2)
Other comprehensive income	(23.2)	(19.8)
Total deferred income tax liabilities	$ (226.6)	(201.1)
Net deferred tax asset/(liability)	$ 26.0	$ (65.2)

Deferred tax assets and liabilities in the preceding table are in the following captions in the balance sheet at June 30, 2015 and 2014:

	Fiscal Year Ended June 30,	
(Dollars in millions)	**2015**	**2014**
Current deferred tax asset	$ 19.7	$ 12.7
Non-current deferred tax asset	64.1	26.3
Current deferred tax liability	1.5	1.0
Non-current deferred tax liability	56.3	103.2
Net deferred tax asset/(liability)	$ 26.0	$ (65.2)

At June 30, 2015, the Company has federal net operating loss carryforwards of $344.6 million, all of which are subject to Internal Revenue Code Section 382 limitations; $13.2 million, because they were generated in years prior to April 10, 2007,

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when the Company was owned by Cardinal, and the remainder due to a change in ownership event when Blackstone, Genstar Capital, and Aisling Capital completed a secondary offering of the Company's stock in March 2015. The federal loss carryforwards will expire in fiscal years 2022 through 2033. At June 30, 2015, the Company has state tax loss carryforwards of $483.8 million. Approximately $181.5 million of these losses are state tax losses generated in periods prior to the period ending June 30, 2007. Substantially all state carryforwards have a twenty year carryforward period. In accordance with ASC 718, $56.8 million of federal and state losses were generated in the current and prior tax years as a result of tax deductions for equity. Such deductions are not being recognized for financial statement purposes because a cash tax benefit was not realized by the Company, as determined using a with-and-without approach as described in ASC 740-20. As a result, these deductions are not reflected in the federal and state net operating loss carryforward amounts indicated above. At June 30, 2015, the Company has international tax loss carryforwards of $101.8 million. Substantially all of these carryforwards are available for at least three years or have an indefinite carryforward period.

The Company had valuation allowances of $82.4 million and $218.2 million as of June 30, 2015 and 2014, respectively, against our deferred tax assets.

The Company considered all available evidence, both positive and negative, in assessing the need for a valuation allowance for deferred tax assets. Three possible sources of taxable income were evaluated when assessing the realization of deferred tax assets:

- Future reversals of existing taxable temporary differences;
- Tax planning strategies; and
- Future taxable income exclusive of reversing temporary differences and carryforwards.

The Company considered the need to maintain a valuation allowance on deferred tax assets based on management's assessment of whether it is more likely than not that deferred tax assets would be realized based on future reversals of existing taxable temporary differences and the ability to generate sufficient taxable income within the carryforward period available under the applicable tax law. The deferred tax liabilities are expected to reverse in the same period and jurisdiction and are of the same character as the temporary differences giving rise to a portion of the deferred tax assets.

During the current period, the Company released the majority of its U.S. federal valuation allowance of $136.7 million based on projected U.S. future earnings in excess of the $294.1 million required to realize its net U.S. federal deferred tax assets. Of the $294.1 million, $329.5 million relates to the federal net operating loss carryforward (NOL) which expires in the years 2028 to 2032. The remaining $35.4 million relates to other net deferred tax liabilities. A valuation allowance of $10.4 million was retained on U.S. federal deferred tax assets for capital losses.

The reversal of the valuation allowance was the result of a continuing trend of U.S. taxable income and the expectation that this trend will continue, rather than relying on tax planning strategies to support the realization of deferred tax assets. We have experienced three consecutive years of positive U.S. taxable earnings as of the current quarter and expect to sustain this position in the future, due to the positive impact on U.S. earnings from reduced interest expense resulting from a reduction in our external debt, among other factors.

While the U.S. federal valuation allowance was reversed, the U.S. state valuation allowance on $483.8 million of pre-apportioned state net operating losses were maintained. Due to uncertainty around earnings, apportionment, certain restrictions at the state level, and the history of tax losses, anticipated utilization rates were not sufficient to overcome the negative evidence and allow a release.

As part of the 2007 acquisition from Cardinal, the Company has been indemnified by Cardinal for tax liabilities that may arise in the future that relate to tax periods prior to April 10, 2007 (the "Formation Date"). The indemnification agreement includes, among other taxes, any and all Federal, state and international income based taxes as well as any interest and penalties that may be related thereto.

Similarly, as part of the 2012 purchase of the CTS business from Aptuit, Inc., the Company has been indemnified by Aptuit, Inc. for tax liabilities that may arise in the future that relate to tax periods prior to February 17, 2012. The indemnification agreement includes, among other taxes, any and all Federal, state and international income based taxes as well as any interest and penalties that may be related thereto.

Additionally, as part of the 2015 purchase of the Micron Technologies businesses, the Company has been indemnified for tax liabilities that may arise in the future that relate to tax periods prior to the acquisition, on November 3, 2014. The indemnification agreement includes, among other taxes, any and all Federal, state and international income-based taxes as well as any interest and penalties that may be related thereto.

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The amount of income taxes the Company may pay is subject to ongoing audits by federal, state and foreign tax authorities, which may result in proposed assessments. The Company's estimate for the potential outcome for any uncertain tax issue is highly judgmental. The Company assesses its income tax positions and record benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions for which it is more likely than not that a tax benefit will be sustained, the Company records the amount that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. Interest and penalties are accrued, where applicable.

ASC 740 includes guidance on the accounting for uncertainty in income taxes recognized in the financial statements. This standard also provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. As of June 30, 2015, the Company had a total of $66.9 million of unrecognized tax benefits. A reconciliation of our unrecognized tax benefit, excluding accrued interest for June 30, 2015, June 30, 2014 and June 30, 2013 are as follows:

(Dollars in millions)		
Balance at June 30, 2013	**$**	**37.7**
Additions based on tax positions related to the current year		7.5
Additions for tax positions of prior years		25.1
Reductions for tax positions of prior years		(4.8)
Settlements	$	(4.9)
Balance at June 30, 2014	**$**	**60.6**
Additions based on tax positions related to the current year		7.3
Additions for tax positions of prior years		5.5
Reductions for tax positions of prior years		(5.4)
Settlements		(0.5)
Lapse of the applicable statute of limitations		(0.6)
Balance at June 30, 2015	**$**	**66.9**

Of this amount, $46.7 million and $41.4 million represent the amount of unrecognized tax benefits that, if recognized, would favorably impact the effective income tax rate as of June 30, 2015 and June 30, 2014, respectively. An additional $20.2 million represents the amount of unrecognized tax benefits that, if recognized, would not impact the effective income tax rate due to a full valuation allowance.

In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including major jurisdictions such as Germany, United Kingdom, France, the United States, and various states. The Company is no longer subject to examinations by the relevant tax authorities for years prior to fiscal 2005.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of June 30, 2015, the Company has approximately $6.3 million of accrued interest related to uncertain tax positions, an increase of $1.2 million from the prior year. The Company had approximately $5.1 million and $5.0 million of accrued interest related to uncertain tax positions as of June 30, 2014 and 2013, respectively. The portion of such interest and penalties subject to indemnification by Cardinal is $2.3 million, an increase of $0.3 million from the prior year.

10. EMPLOYEE RETIREMENT BENEFIT PLANS

The Company sponsors various retirement plans, including defined benefit pension plans and defined contribution plans. Substantially all of the Company's domestic non-union employees are eligible to participate in an employer-sponsored retirement savings plans, which include features under Section 401(k) of the Internal Revenue Code of 1986, as amended, and provide for company matching contributions. The Company's contributions to the plans are determined by its Board of Directors subject to certain minimum requirements as specified in the plans. The Company uses a measurement date of June 30 for all of its retirement and postretirement benefit plans.

In addition, the Company has recorded obligations related to its withdrawal from a multi-employer pension plan related to a former commercial packaging site, a clinical services site and a former printed components operation. The Company's withdrawal from these multi-employer pension plans has been classified as a mass withdrawal under the Multiemployer Pension Plan Amendments Act of 1980, and, as amended, under the Pension Protection Act of 2006. The withdrawal from the plan resulted in the recognition of liabilities associated with the Company's long-term obligations in prior year periods not

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presented, which were primarily recorded as an expense within discontinued operations. The estimated discounted value of the projected contributions related to these plans is $39.5 million and $39.6 million as of June 30, 2015 and June 30, 2014, respectively. The annual cash impact associated with the Company's long-term obligation approximates $1.7 million per year.

The following table provides a reconciliation of the change in projected benefit obligation and fair value of plan assets for the defined benefit retirement and other retirement plans, excluding the multi-employer pension plan liability:

At June 30,	Retirement Benefits		Other Post-Retirement Benefits	
(Dollars in millions)	2015	2014	2015	2014
Accumulated Benefit Obligation	$ 316.0	$ 324.4	$ 3.7	$ 4.4
Change in Benefit Obligation				
Benefit obligation at beginning of year	333.8	289.1	4.4	4.9
Company service cost	2.7	2.8	—	—
Interest cost	11.4	12.2	0.2	0.2
Employee contributions	—	—	—	—
Plan amendments	—	—	—	—
Curtailments	(1.6)	—	—	—
Settlements	—	(1.7)	—	—
Special termination benefits	—	—	—	—
Divestitures	—	—	—	—
Business combinations	—	—	—	—
Benefits paid	(9.6)	(10.9)	(0.2)	(0.3)
Actual expenses	—	(0.1)	—	—
Actuarial (gain)/loss	20.8	24.3	(0.7)	(0.4)
Exchange rate gain/(loss)	(33.8)	18.1	—	—
Benefit obligation at end of year	323.7	333.8	3.7	4.4
Change in Plan Assets				
Fair value of plan assets at beginning of year	222.2	198.4	—	—
Actual return on plan assets	18.4	14.0	—	—
Company contributions	9.0	8.6	0.2	0.3
Employee contributions	—	—	—	—
Settlements	—	(1.7)	—	—
Special company contributions to fund termination benefits	—	—	—	—
Divestitures	—	—	—	—
Business combinations	—	—	—	—
Benefits paid	(9.6)	(10.9)	(0.2)	(0.3)
Actual expenses	—	(0.1)	—	—
Exchange rate gain/(loss)	(18.0)	13.9	—	—
Fair value of plan assets at end of year	222.0	222.2	—	—
Funded Status				
Funded status at end of year	(101.7)	(111.4)	(3.7)	(4.4)
Employer contributions between measurement date and reporting date	—	—	—	—
Net pension asset (liability)	(101.7)	(111.4)	(3.7)	(4.4)

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The following table provides a reconciliation of the net amount recognized in the Consolidated Balance Sheets:

At June 30,	Retirement Benefits		Other Post-Retirement Benefits	
(Dollars in millions)	2015	2014	2015	2014
Amounts Recognized in Statement of Financial Position				
Noncurrent assets	$ 0.6	$ 0.7	$ —	$ —
Current liabilities	(0.9)	(1.0)	(0.8)	(0.4)
Noncurrent liabilities	(101.4)	(111.1)	(2.9)	(4.0)
Total asset/(liability)	(101.7)	(111.4)	(3.7)	(4.4)
Amounts Recognized in Accumulated Other Comprehensive Income				
Transition (asset)/obligation	—	—	—	—
Prior service cost	0.1	0.2	—	—
Net (gain)/loss	63.2	52.2	(1.6)	(0.9)
Total accumulated other comprehensive income at the end of the year	63.3	52.4	(1.6)	(0.9)
Additional Information for Plan with ABO in Excess of Plan Assets				
Projected benefit obligation	309.6	318.1	3.7	4.4
Accumulated benefit obligation	304.1	311.2	3.7	4.4
Fair value of plan assets	207.3	206.0	—	—
Additional Information for Plan with PBO in Excess of Plan Assets				
Projected benefit obligation	309.6	318.1	3.7	4.4
Accumulated benefit obligation	304.1	311.2	3.7	4.4
Fair value of plan assets	207.3	206.0	—	—
Components of Net Periodic Benefit Cost				
Service Cost	2.7	2.8	—	—
Interest Cost	11.4	12.2	0.2	0.2
Expected return on plan assets	(10.5)	(10.4)	—	—
Amortization of unrecognized:				
Transition (asset)/obligation	—	—	—	—
Prior service cost	—	—	—	—
Net (gain)/loss	1.8	1.3	(0.1)	—
Ongoing periodic cost	5.4	5.9	0.1	0.2
Settlement/curtailment expense/(income)	(0.2)	0.2	—	—
Net periodic benefit cost	5.2	6.1	0.1	0.2

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At June 30,	Retirement Benefits		Other Post-Retirement Benefits	
(Dollars in millions)	2015	2014	2015	2014
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income				
Net (gain)/loss arising during the year	$ 13.0	$ 20.7	(0.7)	(0.3)
Prior service cost (credit) during the year	—	—	—	—
Transition asset/(obligation) recognized during the year	—	—	—	—
Prior service cost recognized during the year	—	—	—	—
Net gain/(loss) recognized during the year	(3.2)	(1.5)	0.1	—
Exchange rate gain/(loss) recognized during the year	(0.6)	0.5	—	—
Total recognized in other comprehensive income	$ 9.2	$ 19.7	$ (0.6)	$ (0.3)
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income				
Total recognized in net periodic benefit cost and other comprehensive income	$ 14.4	$ 27.3	$ (0.5)	$ (0.2)
Estimated Amounts to be Amortized from Accumulated Other Comprehensive Income into Net Periodic Benefit Cost				
Amortization of:				
Transition (asset)/obligation	$ —	$ —	$ —	$ —
Prior service cost/(credit)	—	—	—	—
Net (gain)/loss	2.9	2.0	(0.1)	(0.1)
Financial Assumptions Used to Determine Benefit Obligations at the Balance Sheet Date				
Discount rate (%)	3.38%	3.73%	3.69%	3.67%
Rate of compensation increases (%)	2.06%	2.10%	N/A	N/A
Financial Assumptions Used to Determine Net Periodic Benefit Cost for Financial Year				
Discount rate (%)	3.73%	4.14%	3.67%	3.92%
Rate of compensation increases (%)	2.10%	2.51%	N/A	N/A
Expected long-term rate of return (%)	5.11%	5.11%	N/A	N/A
Expected Future Contributions				
Financial Year				
2016	$ 7.6		$ 0.8	

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At June 30,	Retirement Benefits		Other Post-Retirement Benefits	
(Dollars in millions)	2015	2014	2015	2014
Expected Future Benefit Payments				
Financial Year				
2016	10.5	9.7	0.8	0.4
2017	9.5	11.3	0.3	0.4
2018	11.1	10.6	0.3	0.4
2019	11.2	12.7	0.3	0.4
2020	13.9	12.7	0.3	0.4
2021-2025	72.0	77.5	1.1	1.6
Actual Asset Allocation (%)				
Equities	34.2%	34.0%	—%	—%
Government Bonds	28.2%	27.0%	—%	—%
Corporate Bonds	17.3%	17.1%	—%	—%
Property	3.1%	3.0%	—%	—%
Insurance Contracts	8.5%	9.5%	—%	—%
Other	8.7%	9.4%	—%	—%
Total	100.0%	100.0%	—%	—%
Actual Asset Allocation (Amount)				
Equities	75.7	75.7	—	—
Government Bonds	62.7	60.0	—	—
Corporate Bonds	38.5	37.9	—	—
Property	6.9	6.6	—	—
Insurance Contracts	18.9	21.0	—	—
Other	19.3	21.0	—	—
Total	222.0	222.2	—	—
Target Asset Allocation (%)				
Equities	34.5%	34.3%	—%	—%
Government Bonds	24.8%	24.5%	—%	—%
Corporate Bonds	22.1%	21.7%	—%	—%
Property	3.5%	3.6%	—%	—%
Insurance Contracts	6.3%	7.1%	—%	—%
Other	8.8%	8.8%	—%	—%
Total	100.0%	100.0%	—%	—%

The Company employs a building block approach in determining the long-term rate of return for plan assets. Historical markets are studied and long-term historical relationships between equities and fixed income are preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established via a building block approach with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

Plan assets are recognized and measured at fair value in accordance with the accounting standards regarding fair value measurements. The following are valuation techniques used to determine the fair value of each major category of assets:

- Short-term Investments, Equity securities, Fixed Income Securities, and Real Estate are valued using quoted market prices or other valuation methods, and thus are classified within Level 1 or Level 2.

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- Insurance Contracts and Other include investments with some observable and unobservable prices that are adjusted by cash contributions and distributions, and thus are classified within Level 2 or Level 3.

The following table provides a summary of plan assets that are measured in fair value as of June 30, 2015, aggregated by the level in the fair value hierarchy within which those measurements fall:

(Dollars in millions)	Total Assets	Level 1	Level 2	Level 3
Equity Securities	$ 75.7	$ —	$ 75.7	—
Debt Securities	101.2	—	101.2	—
Real Estate	6.9	—	0.3	6.6
Other	38.2	—	17.3	20.9
Total	$ 222.0	$ —	$ 194.5	$ 27.5

Level 3 real estate assets consist of a U.K. Property fund ("UBS Life Triton Property Fund") that directly invests in properties that are held in the U.K. The funds are priced using the Net Asset Value ("NAV") of the fund and investors also get Bid and Offer prices on a monthly basis. Investment properties are measured at fair value as determined by third-party independent appraisers. Their value is ascertained by reference to the market value, having regard to whether they are let or un-let at the date of valuation, in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors.

Level 3 other assets consist of an insurance contract in the UK to fulfill the benefit obligations for a portion of the participant benefits. The value of this commitment is determined using the same assumptions and methods used to value the UK Retirement & Death Benefit Plan pension liability. Level 3 other assets also include the partial funding of a pension liability relating to current and former employees of the Company’s Eberbach facility through a Company promissory note or loan with an annual rate of interest of 5%. The value of this commitment fluctuates due to contributions and benefit payments in addition to loan interest.

The following table provides a summary of plan assets that are measured in fair value as of June 30, 2014, aggregated by the level in the fair value hierarchy within which those measurements fall:

(Dollars in millions)	Total Assets	Level 1	Level 2	Level 3
Equity Securities	$ 75.7	$ 6.1	$ 69.6	—
Debt Securities	97.9	26.8	71.1	—
Real Estate	6.6	—	0.4	6.2
Other	42.0	—	18.1	23.9
Total	$ 222.2	$ 32.9	$ 159.2	$ 30.1

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The following table provides a reconciliation of the beginning and ending balances of level 3 assets as well as the changes during the period attributable to assets held and those purchases, sales, settlements, contributions and benefits that were paid:

Asset Category Allocations - June 30, 2015

Total (Level 3) All figures in U.S. Dollars (Dollars in millions)	Fair Value Measurement Using Significant Unobservable Inputs Total (Level 3)	Fair Value Measurement Using Significant Unobservable Inputs Insurance Contracts	Fair Value Measurement Using Significant Unobservable Inputs Other
Beginning Balance at June 30, 2014	$ 30.1	$ 4.7	$ 25.4
Actual return on plan assets:			
Relating to assets still held at the reporting date	(2.0)	0.2	(2.2)
Relating to assets sold during the period	—	—	—
Purchases, sales, settlements, contributions and benefits paid	(0.6)	(0.2)	(0.4)
Transfers in and/or out of Level 3	—	—	—
Ending Balance at June 30, 2015	$ 27.5	$ 4.7	$ 22.8

The investment policy reflects the long-term nature of the plans' funding obligations. The assets are invested to provide the opportunity for both income and growth of principal. This objective is pursued as a long-term goal designed to provide required benefits for participants without undue risk. It is expected that this objective can be achieved through a well-diversified asset portfolio. All equity investments are made within the guidelines of quality, marketability and diversification mandated by the Employee Retirement Income Security Act ("ERISA") (for plans subject to ERISA) and other relevant legal requirements. Investment managers are directed to maintain equity portfolios at a risk level approximately equivalent to that of the specific benchmark established for that portfolio. Assets invested in fixed income securities and pooled fixed income portfolios are managed actively to pursue opportunities presented by changes in interest rates, credit ratings or maturity premiums.

At June 30, (Actual dollar amounts)	Other Post-Retirement Benefits 2015	Other Post-Retirement Benefits 2014
Assumed Healthcare Cost Trend Rates at the Balance Sheet Date		
Healthcare cost trend rate – initial (%)		
Pre-65	n/a	7.60%
Post-65	11.35%	10.91%
Healthcare cost trend rate – ultimate (%)		
Pre-65	n/a	4.70%
Post-65	4.64%	4.70%
Year in which ultimate rates are reached		
Pre-65	n/a	2021
Post-65	2022	2020
Effect of 1% Change in Healthcare Cost Trend Rate		
Healthcare cost trend rate up 1%		
on APBO at balance sheet date	$ 171,309	$ 278,651
on total service and interest cost	8,181	11,363
Effect of 1% Change in Healthcare Cost Trend Rate		
Healthcare cost trend rate down 1%		
on APBO at balance sheet date	$ (152,189)	$ (245,360)
on total service and interest cost	(7,282)	(10,008)
Expected Future Contributions		
Financial Year		
2016	$ 830,044	

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11. RELATED PARTY TRANSACTIONS

Advisor Transaction and Management Fees

Prior to the IPO, the Company was party to a transaction and advisory fee agreement with affiliates of Blackstone and certain other investors in BHP PTS Holdings L.L.C. (the "Investors"), pursuant to which the Company historically paid an annual sponsor advisory fee to Blackstone and the other Investors for certain monitoring, advisory and consulting services to the Company. In connection with the IPO, the Company paid the Investors an advisory agreement termination fee of $29.8 million in August 2014, which was recorded within other (income)/expense, net in the Consolidated Statements of Operations, and terminated the agreement. As a result, the Company did not have management fees for fiscal year ended June 30, 2015. For fiscal years ended June 30, 2014 and 2013, this management fee was approximately $12.9 million and $12.4 million, respectively. This fee was recorded as expense within selling, general and administrative expenses in the Consolidated Statements of Operations.

In connection with each of two secondary offerings of our common stock demanded by Blackstone during fiscal 2015 following the IPO, we entered into underwriting agreements with Blackstone, the other shareholders selling in the offerings, and the underwriters managing the offerings setting forth the terms of the offerings and making various representations to the underwriters regarding various facts and circumstances relating to the offerings. The underwriting agreements required us to pay certain expenses relating to the offerings and to indemnify Blackstone, the other sellers, and the underwriters for the offerings against liabilities arising from breaches of our representations and certain other matters relating to the offerings.

Other Related Party Transactions

The Company participates in an employer health program agreement with Equity Healthcare LLC ("Equity Healthcare"). Equity Healthcare negotiates with providers of standard administrative services for health benefit plans and other related services for cost discounts and quality of service monitoring capability by Equity Healthcare. Because of the combined purchasing power of its client participants, Equity Healthcare is able to negotiate pricing terms for providers that are believed to be more favorable than the companies could obtain for themselves on an individual basis. In consideration for these services, the Company paid Equity Healthcare a fee of $2.80 and $2.70 per participating employee per month in calendar years 2015 and 2014, respectively. As of June 30, 2015, the Company had approximately 2,500 employees enrolled in its health benefit plans in the United States. Equity Healthcare is an affiliate of Blackstone.

12. EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Description of Capital Stock and Initial Public Offering

The Company is authorized to issue 1,000,000,000 shares of common stock, par value $0.01 per share, and 100,000,000 shares of preferred stock, par value $0.01 per share. In accordance with the Company's amended and restated certificate of incorporation, each share of common stock has one vote, and the common stock votes together as a single class. In July 2014, the Company's board of directors and holders of the requisite number of outstanding shares of its capital stock have approved an amendment to the Company's amended and restated certificate of incorporation to effect a 70-for-1 stock split. The stock split became effective on July 17, 2014 upon the filing with the Delaware Secretary of State of an amendment to the Company's amended and restated certificate of incorporation. Refer to Note 1 for further discussion of the Company's July 2014 recapitalization and discussion of the Company's public offerings of common stock.

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Accumulated other comprehensive income/(loss)

Accumulated other comprehensive income/(loss) by component and changes for the fiscal years June 30, 2015, June 30, 2014 and June 30, 2013 consists of:

(Dollars in millions)	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Derivatives	Deferred Compensation	Pension Liability Adjustments	Other Comprehensive Income/(Loss)
Balance at June 30, 2012	$ 29.5	$ (24.5)	$ 0.7	$ (34.6)	$ (28.9)
Activity, net of tax	(47.9)	24.5	0.8	8.7	(13.9)
Balance at June 30, 2013	(18.4)	—	1.5	(25.9)	(42.8)
Activity, net of tax	32.4	—	1.7	(15.5)	18.6
Balance at June 30, 2014	14.0	—	3.2	(41.4)	(24.2)
Activity, net of tax	(144.0)	—	0.6	(6.4)	(149.8)
Balance at June 30, 2015	$ (130.0)	$ —	$ 3.8	$ (47.8)	$ (174.0)

The components of the changes in the cumulative translation adjustment and minimum pension liability for the fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013 consists of:

	Year Ended June 30,		
	2015	2014	2013
Foreign currency translation adjustments:			
Net investment hedge	$ 30.0	$ (13.6)	$ (20.9)
Long term inter-company loans	(9.0)	28.3	(4.8)
Translation adjustments	(152.7)	17.7	(22.2)
Total cumulative translation adjustment, pretax	(131.7)	32.4	(47.9)
Tax (1)	(12.3)	—	—
Total cumulative translation adjustment, net of tax	$ (144.0)	$ 32.4	$ (47.9)
Net change in minimum pension liability			
Net gain/(loss) arising during the year	$ (12.3)	$ (20.4)	$ 9.5
Net (gain)/loss recognized during the year	3.1	1.5	1.1
Foreign Exchange Translation and Other	0.6	(0.5)	(0.4)
Total Pension, pretax	(8.6)	(19.4)	10.2
Tax	2.2	3.9	(1.5)
Net change in minimum pension liability, net of tax	$ (6.4)	$ (15.5)	$ 8.7

(1) Tax related to foreign currency translation adjustments primarily relates to the Net investment hedge activity.

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13. EQUITY-BASED COMPENSATION

2007 Stock Incentive Plan

The Company's stock-based compensation is comprised of stock options and restricted stock units. Awards issued under the Company's pre-IPO incentive compensation plan, known as the 2007 PTS Holdings Corp. Stock Incentive Plan, as amended (the "2007 Plan"), were generally issued for the purpose of retaining key employees and directors. The Company adopted two forms of non-qualified stock option agreements (each, a "Form Option Agreement") for awards granted under the 2007 Plan. Under the Company's Form Option Agreement adopted in 2009, a portion of the stock option awards vest in equal annual installments over a five-year period contingent solely upon the participant's continued employment with the Company, or one of its subsidiaries, another portion of the stock option awards vest over a specified performance period upon achievement of pre-determined operating performance targets over time and the remaining portion of the stock option awards vest upon realization of certain internal rates of return or multiple of investment goals. Under the Company's other Form Option Agreement, adopted in 2013, a portion of the stock option awards vest over a specified performance period upon achievement of pre-determined operating performance targets over time while the other portion of the stock option awards vest upon realization of a specified multiple of investment goal. The Form Option Agreements include certain forfeiture provisions upon a participant's separation from service with the Company. Following the IPO, the Company decided not to grant any further awards under the 2007 Plan; however, all outstanding awards granted prior to the IPO remained outstanding in accordance with the terms of the 2007 Plan.

2014 Omnibus Incentive Plan

In connection with the IPO, the Company's Board of Directors adopted the 2014 Omnibus Incentive Plan effective July 31, 2014 (the "2014 Plan"). The 2014 Plan provides certain members of management, employees and directors of the Company and its subsidiaries with the opportunity to obtain various incentives, including grants of stock options and restricted stock units. A maximum of 6,700,000 shares of common stock may be issued under the 2014 Plan.

Restricted stock units under the 2014 Plan may be granted to members of management and directors. At the IPO, the Company granted to members of management restricted stock units that had certain performance-related vesting requirements ("performance stock units"). These restricted stock units had a grant date fair value of $14.7 million, which represents approximately 692,000 shares of common stock. Under the 2014 Plan, the performance share units vest based on achieving Company financial performance metrics established at the outset of each three-year performance period. The metrics for fiscal 2015 are a mix of cumulative revenue growth and cumulative EBITDA growth targets. The performance share units vest following the end of the three-year performance period based on achievement of the targets. The restricted stock awards vest on the third anniversary of the date of grant subject to the participant's continued employment with the Company.

Stock options were also granted as part of the IPO under the 2014 Plan for selected executives of the Company with an aggregate intrinsic value of $2.3 million, which represents approximately 509,000 shares of common stock. Each stock option vests in equal annual installments over a four-year period from the date of grant, contingent solely upon the participant's continued employment with the Company.

Stock Compensation Expense

Stock compensation expense recognized in the consolidated statements of income was $9.0 million, $4.5 million and $2.8 million in fiscal years 2015, 2014 and 2013, respectively. All stock compensation expense is classified in selling, general and administrative expenses along with the wages and benefits of the option participants. Stock compensation expense is based on awards expected to vest, and therefore has been reduced by estimated forfeitures. Forfeitures are required to be estimated at the time of grant and revised in subsequent periods, if necessary, if actual forfeitures differ from those estimates.

Methodology and Assumptions

Stock options are granted with an exercise price equal to the fair market value on the date of grant. In the 2007 Plan, stock options granted generally vest in equal annual installments over a five year period from the grant date. Stock options granted typically have a contractual term of 10 years. The grant-date fair value, adjusted for estimated forfeitures, is recognized as expense on a ratable basis over the substantive vesting period. The fair value of stock options is determined using the Black-Scholes-Merton option pricing model for service and performance based awards, and an adaptation of the Black-Scholes-Merton option valuation model, which takes into consideration the internal rate of return thresholds, for market based awards. This model adaptation is essentially equivalent to the use of path dependent-lattice model.

The weighted average of assumptions used in estimating the fair value of stock options granted during each year were as follows:

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	Year Ended June 30,		
	2015	2014	2013
Expected volatility	32%	31%	30% - 31%
Expected life (in years)	6.25	5.66 - 6.50	5.82 - 6.50
Risk-free interest rates	2%	0.3% - 2.2%	0.3% - 1.9%
Dividend yield	None	None	None

The Company is newly public, and as a result has limited relevant historical volatility experience; therefore, the expected volatility assumption is based on the historical volatility of closing share price of a comparable peer group. The Company selected peer companies from the pharmaceutical industry with similar characteristics to us, including market capitalization, number of employees and product focus. In addition, since the Company does not have a pattern of exercise behavior of option holders, the Company used the simplified method to determine the expected life of each option, which is the mid-point between the vesting date and the end of the contractual term. The risk-free interest-rate for the expected life of the option is based on the comparable U.S. Treasury yield curve in effect at the time of grant. The weighted-average grant-date fair value of stock options in 2015, 2014, and 2013 was $7.23 per share, $5.41 per share and $4.23 per share, respectively.

The following table summarizes stock option activity and shares outstanding for the year ended June 30, 2015:

		Time			Performance			Market		
	Weighted Average Exercise Price	Number of shares	WA Contractual Term	Aggregate Intrinsic Value	Number of shares	WA Contractual Term	Aggregate Intrinsic Value	Number of shares	WA Contractual Term	Aggregate Intrinsic Value
Outstanding as of June 30, 2014	$ 13.96	2,632,280	5.96	$ 24,001,410	1,563,730	7.55	$ 9,483,970	2,337,860	7.06	$ 16,702,850
Granted	$ 20.97	784,078	6.25	—	—	—	—	—	—	—
Exercised	$ 11.70	(1,279,524)	—	21,268,432	(340,900)	—	5,517,749	—	—	—
Forfeited	$ 16.05	(129,135)	—	—	(125,580)	—	—	(264,250)	—	—
Expired / Canceled	—	—	—	—	—	—	—	—	—	—
Outstanding as of June 30, 2015	$ 15.62	2,007,699	6.83	25,979,873	1,097,250	6.87	14,296,090	2,073,610	5.81	30,739,825
Expected to vest as of June 30, 2015	$ 15.56	1,934,120	6.75	25,327,072	1,071,956	6.85	14,025,624	1,399,048	5.63	21,319,082
Vested and expected to vest as of June 30, 2015	$ 12.83	961,932	4.96	$ 16,107,185	467,936	5.54	$ 7,485,413	—	—	—

In fiscal 2015, participants exercised the option to purchase 623 thousand shares, resulting in $10.3 million of cash paid on behalf of participants for withholding taxes. The intrinsic value of the options exercised in fiscal 2015 was $26.8 million. The total fair value of options vested during the period was $3.6 million.

In fiscal 2014, participants exercised the option to purchase 20 thousand shares, resulting in an inconsequential impact on the Company's cash balance and income tax accounts. The intrinsic value of the options exercised in fiscal 2014 was $0.4 million.

As of June 30, 2015, $4.8 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over a weighted-average period of approximately 3.08 years.

Restricted Stock Units

The Company may grant restricted stock units ("RSUs") to employees for recognition and retention purposes. RSUs generally vest over a three to five-year period. The grant-date fair value, adjusted for estimated forfeitures, is recognized as expense ratably on a graded vesting schedule over the vesting period. The fair value of RSUs is determined based on the number of shares granted and the fair value of the Company's common stock on the date of grant.

Source: Catalent, Inc., 10-K, September 02, 2015 Powered by Morningstar® Document Research℠
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The following table summarizes non-vested RSU activity for the year ended June 30, 2015:

	RSU Units	Weighted Average Grant-Date Fair Value
Non-vested as of June 30, 2014	55,020	$ 17.43
Granted [(1)]	800,654	21.49
Vested	26,703	12.94
Forfeited	55,671	21.27
Non-vested as of June 30, 2015	773,300	$ 21.51

(1) The number of shares granted in fiscal 2015 increased as compared to the prior year as a result of a change from a cash-based long-term incentive plan to an equity-based long-term incentive plan for the Company's senior employees.

As of June 30, 2015, $10.5 million of unrecognized compensation cost related to RSUs is expected to be recognized as expense over a weighted-average period of approximately 2.1 years. The weighted-average grant-date fair value of RSUs in fiscal years 2015 and 2014 was $21.49 and $21.64, respectively. There were no RSU grants in fiscal year 2013. The fair value of RSUs vested in fiscal 2015, 2014 and 2013 was $0.6 million, $0.6 million and $0.6 million, respectively.

14. OTHER (INCOME) / EXPENSE, NET

The components of Other (Income) / Expense, net for the twelve months ended June 30, 2015, 2014, 2013 are as follows:

	Twelve Months Ended June 30,		
(Dollars in millions)	**2015**	**2014**	**2013**
Other (Income) / Expense, net			
Debt extinguishment costs	$ 21.8	$ 11.1	$ 17.0
Gain on acquisition, net [(1)]	(8.9)	—	—
Sponsor advisory agreement termination fee [(2)]	29.8	—	—
Foreign currency (gains) and losses	(2.4)	(2.5)	3.2
Other	2.1	1.8	4.9
Total Other (Income) / Expense	$ 42.4	$ 10.4	$ 25.1

(1) Included within Other (income) / expense, net are gains associated with acquisitions completed during the respective periods. Such income events are non-standard in nature and not reflective of the Company's core operating results. During the twelve months ended June 30, 2015, the Company recorded a gain of $3.2 million on the re-measurement of a cost investment in an entity that became a wholly owned subsidiary as of October 2014, a $7.0 million bargain purchase gain for an acquisition completed in July 2014, and a $1.3 million loss on the redeemable noncontrolling interest in June 2015.

(2) The Company paid a sponsor advisory agreement termination fee of $29.8 million in connection with its IPO.

15. REDEEMABLE NONCONTROLLING INTEREST

In July 2013, the Company acquired a 67% controlling interest in a softgel manufacturing facility located in Haining, China. The noncontrolling interest shareholders have the right to jointly sell the remaining 33% interest to Catalent during the 30-day period following the third anniversary of closing for a price based on the greater of (1) an amount that would provide the noncontrolling interest shareholders a return on their investment of a predetermined amount per annum on their pro rata share of the initial valuation or (2) a multiple of the sum of the target's earnings before interest, taxes, depreciation and amortization and amortization less net debt for the four quarters immediately preceding such sale. Noncontrolling interest with redemption features, such as the arrangement described above, that are not solely within the Company's control are considered redeemable noncontrolling interests, which is considered temporary equity and is therefore reported outside of permanent equity on the Company's consolidated balance sheet at the greater of the initial carrying amount adjusted for the noncontrolling interest's share of net income/(loss) or its redemption value.

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In June 2015, the Company reached an agreement to acquire the remaining 33% from the noncontrolling interest shareholders for purchase consideration of $5.8 million. As a result of the purchase agreement, the Company recorded a $1.3 million loss in Other Income/Expense, net to reflect the current redemption value as of June 30, 2015. The transaction is expected to close in fiscal 2016 after customary closing conditions are met, including regulatory approvals.

16. COMMITMENTS AND CONTINGENCIES

Rental Payments and Expense

The future minimum rental payments for operating leases having initial or remaining non-cancelable lease terms in excess of one year at June 30, 2015 are:

(Dollars in millions)	2016	2017	2018	2019	2020	Thereafter	Total
Minimum rental payments	$ 8.4	$ 6.0	$ 5.3	$ 4.2	$ 4.1	$ 7.8	$ 35.8

Rental expense relating to operating leases was approximately $10.0 million, $9.5 million, and $9.4 million for the fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013, respectively. Sublease rental income was not material for any period presented.

Other Matters

As previously disclosed with regard to the Company's participation in a multi-employer pension plan, the Company notified the plan trustees of its withdrawal from such plan in fiscal 2012. The actuarial review process, which is administered by the plan trustees, was completed during the third quarter of fiscal 2015, and the resulting estimated liability reflects the present value of its expected future long-term obligations. The annual cash impact associated with the Company's long-term obligation approximates $1.7 million per year. Refer to Note 10 to the Consolidated Financial Statements for further discussion.

From time to time, the Company may be involved in legal proceedings arising in the ordinary course of business, including, without limitation, inquiries and claims concerning environmental contamination as well as litigation and allegations in connection with acquisitions, product liability, manufacturing or packaging defects and claims for reimbursement for the cost of lost or damaged active pharmaceutical ingredients, the cost of which could be significant. The Company intends to vigorously defend itself against such other litigation and does not currently believe that the outcome of any such other litigation will have a material adverse effect on the Company's financial statements. In addition, the healthcare industry is highly regulated and governmental agencies continue to scrutinize certain practices affecting governmental programs and otherwise.

From time to time, the Company receives subpoenas or requests for information from various governmental agencies, including from state attorneys general and the U.S. Department of Justice relating to the business practices of customers or suppliers. The Company generally responds to such subpoenas and requests in a timely and thorough manner, which responses sometimes require considerable time and effort and can result in considerable costs being incurred. The Company expects to incur costs in future periods in connection with existing and future requests.

17. SEGMENT INFORMATION

The Company conducts its business within the following operating segments: Softgel Technologies, Modified Release Technologies, Medication Delivery Solutions and Development & Clinical Services. The Softgel Technologies and Modified Release Technologies segments are aggregated into one reportable operating segment – Oral Technologies. The Company evaluates the performance of its segments based on segment earnings before noncontrolling interest, other (income) expense, impairments, restructuring costs, interest expense, income tax (benefit)/expense, and depreciation and amortization ("Segment EBITDA"). EBITDA from continuing operations is consolidated earnings from continuing operations before interest expense, income tax (benefit)/expense, depreciation and amortization and is adjusted for the income or loss attributable to noncontrolling interest. The Company's presentation of Segment EBITDA and EBITDA from continuing operations may not be comparable to similarly titled measures used by other companies.

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The following tables include net revenue and Segment EBITDA during the fiscal years ended June 30, 2015, June 30, 2014, and June 30, 2013:

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Oral Technologies			
Net revenue	$ 1,141.1	$ 1,180.1	$ 1,186.3
Segment EBITDA	$ 313.7	$ 324.3	$ 315.7
Medication Delivery Solutions			
Net revenue	261.9	246.1	219.3
Segment EBITDA	53.9	48.7	31.5
Development and Clinical Services			
Net revenue	438.8	412.2	404.8
Segment EBITDA	93.4	83.5	75.0
Inter-segment revenue elimination	(11.0)	(10.7)	(10.1)
Unallocated costs [(1)]	(100.8)	(82.1)	(90.6)
Combined Total			
Net revenue	$ 1,830.8	$ 1,827.7	$ 1,800.3
EBITDA from continuing operations	$ 360.2	$ 374.4	$ 331.6

(1) Unallocated costs include restructuring and special items, equity-based compensation, impairment charges, certain other corporate directed costs, and other costs that are not allocated to the segments as follows:

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Impairment charges and gain/(loss) on sale of assets	$ (4.7)	$ (3.2)	$ (5.2)
Equity compensation	(9.0)	(4.5)	(2.8)
Restructuring and other items [(2)]	(27.2)	(29.4)	(29.0)
Sponsor advisory fee	—	(12.9)	(12.4)
Noncontrolling interest	1.9	1.0	0.1
Other income/(expense), net [(3)]	(42.4)	(10.4)	(25.1)
Non-allocated corporate costs, net	(19.4)	(22.7)	(16.2)
Total unallocated costs	$ (100.8)	$ (82.1)	$ (90.6)

(2) Segment results do not include restructuring and certain acquisition-related costs.

(3) Amounts primarily relate to the expense associated with the termination of the sponsor advisory services agreement of $29.8 million in connection with the IPO, expenses related to financing transactions of $21.8 million and acquisition-related gains of $8.9 million, all during the current year; and foreign currency translation gains and losses during all periods presented.

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Provided below is a reconciliation of earnings/(loss) from continuing operations to EBITDA from continuing operations:

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Earnings/(loss) from continuing operations	$ 210.2	$ 17.9	$ (50.9)
Depreciation and amortization	140.8	142.9	152.2
Interest expense, net	105.0	163.1	203.2
Income tax (benefit)/expense	(97.7)	49.5	27.0
Noncontrolling interest	1.9	1.0	0.1
EBITDA from continuing operations	$ 360.2	$ 374.4	$ 331.6

The following table includes total assets for each segment, as well as reconciling items necessary to total the amounts reported in the Consolidated Financial Statements:

(Dollars in millions)	June 30, 2015	June 30, 2014
Assets		
Oral Technologies	$ 2,477.3	$ 2,585.6
Medication Delivery Solutions	247.8	292.8
Development and Clinical Services	703.2	672.1
Corporate and eliminations	(282.9)	(460.3)
Total assets	$ 3,145.4	$ 3,090.2

The following tables include depreciation and amortization expense and capital expenditures for the fiscal years ended June 30, 2015, June 30, 2014 and June 30, 2013 for each segment, as well as reconciling items necessary to total the amounts reported in the Consolidated Financial statements:

Depreciation and Amortization Expense

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Oral Technologies	$ 73.6	$ 80.8	$ 86.7
Medication Delivery Solutions	23.7	22.6	20.6
Development and Clinical Services	36.6	30.9	33.2
Corporate	6.9	8.6	11.7
Total depreciation and amortization expense	$ 140.8	$ 142.9	$ 152.2

Capital Expenditures

(Dollars in millions)	Fiscal Year Ended June 30, 2015	2014	2013
Oral Technologies	$ 75.6	$ 56.1	$ 47.7
Medication Delivery Solutions	22.6	25.0	47.7
Development and Clinical Services	24.0	28.2	21.3
Corporate	18.8	13.1	5.8
Total capital expenditure	$ 141.0	$ 122.4	$ 122.5

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The following table presents revenue and long-lived assets by geographic area:

	Net Revenue Fiscal Year Ended June 30,			Long-Lived Assets[1]	
(Dollars in millions)	2015	2014	2013	June 30, 2015	June 30, 2014
United States	$ 799.3	$ 682.3	$ 695.8	$ 479.0	$ 413.7
Europe	795.4	888.8	863.2	314.6	348.5
International Other	268.6	278.8	270.1	91.6	110.8
Eliminations	(32.5)	(22.2)	(28.8)	—	—
Total	$ 1,830.8	$ 1,827.7	$ 1,800.3	$ 885.2	$ 873.0

(1) Long-lived assets include property and equipment, net of accumulated depreciation.

18. SUPPLEMENTAL BALANCE SHEET INFORMATION

Supplementary balance sheet information at June 30, 2015 and June 30, 2014 is detailed in the following tables.

Inventories

Work-in-process and finished goods inventories include raw materials, labor and overhead. Total inventories consisted of the following:

(Dollars in millions)	June 30, 2015	June 30, 2014
Raw materials and supplies	$ 76.9	$ 84.1
Work-in-process	26.3	23.8
Finished goods	43.8	39.8
Total inventory, gross	147.0	147.7
Inventory reserve	(14.1)	(12.9)
Inventories	$ 132.9	$ 134.8

Prepaid expenses and other

Prepaid expenses and other current assets consist of the following:

(Dollars in millions)	June 30, 2015	June 30, 2014
Prepaid expenses	$ 22.0	$ 16.6
Spare parts supplies	11.5	12.5
Deferred income taxes	19.7	12.7
Other current assets	27.7	32.8
Prepaid expenses and other	$ 80.9	$ 74.6

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Property, plant, and equipment, net

Property, plant, and equipment, net consist of the following:

(Dollars in millions)	June 30, 2015	June 30, 2014
Land, buildings and improvements	$ 637.6	$ 619.0
Machinery, equipment and capitalized software	727.9	683.6
Furniture and fixtures	10.1	8.1
Construction in progress	97.6	110.9
Property and equipment, at cost	1,473.2	1,421.6
Accumulated depreciation	(588.0)	(548.6)
Property, plant, and equipment, net	$ 885.2	$ 873.0

Other assets

Other assets consist of the following:

(Dollars in millions)	June 30, 2015	June 30, 2014
Deferred long-term debt financing costs	$ 9.5	$ 19.7
Other	18.9	29.0
Total other assets	$ 28.4	$ 48.7

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Other accrued liabilities

Other accrued liabilities consist of the following:

(Dollars in millions)	June 30, 2015	June 30, 2014
Accrued employee-related expenses	$ 87.8	$ 86.7
Restructuring accrual	7.3	10.3
Deferred income taxes	1.5	1.0
Accrued interest	0.2	12.2
Deferred revenue and fees	39.0	47.1
Accrued income tax	55.8	61.5
Other accrued liabilities and expenses	55.4	60.9
Other accrued liabilities	$ 247.0	$ 279.7

Allowance for doubtful accounts

Trade receivables allowance for doubtful accounts activity is as follows:

(Dollars in millions)	June 30, 2015	June 30, 2014	June 30, 2013
Trade receivables allowance for doubtful accounts			
Beginning balance	$ 5.4	$ 5.7	$ 4.2
Charged to cost and expenses	2.7	0.5	2.1
Deductions and other	(1.1)	(1.0)	(0.6)
Impact of foreign exchange	(0.4)	0.2	
Closing balance	$ 6.6	$ 5.4	$ 5.7

Inventory reserve

Inventory reserve activity is as follows:

(Dollars in millions)	June 30, 2015	June 30, 2014	June 30, 2013
Inventory reserve			
Beginning balance	$ 12.9	$ 11.8	$ 8.5
Charged to cost and expenses	9.5	10.2	8.7
Deductions	(6.5)	(9.5)	(5.9)
Impact of foreign exchange	(1.8)	0.4	0.5
Closing balance	$ 14.1	$ 12.9	$ 11.8

19. SUBSEQUENT EVENTS

During the preparation of its consolidated financial statements, the Company completed an evaluation of the impact of subsequent events and determined there was no significant subsequent event requiring disclosure in or adjustment to these financial statements.

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20. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes the Company's unaudited quarterly results of operation.

(Dollars in millions, except per share data)	Fiscal Year 2015, By Quarters			
	First	Second	Third	Fourth
Net revenue	$ 418.3	$ 455.8	$ 446.6	$ 510.1
Gross margin	125.3	156.1	152.2	181.7
Earnings/(loss) from continuing operations less net income (loss) attributable to noncontrolling interest	(19.9)	46.7	31.5	153.8
Net earnings/(loss) from discontinued operations, net of tax	0.4	(0.2)	—	(0.1)
Net earnings/(loss) attributable to Catalent	$ (19.5)	$ 46.5	$ 31.5	$ 153.7
Earnings per share attributable to Catalent:				
Basic				
Earnings/(loss) from continuing operations	$ (0.19)	$ 0.38	$ 0.25	$ 1.23
Net earnings/(loss)	$ (0.18)	$ 0.37	$ 0.25	$ 1.23
Diluted				
Earnings/(loss) from continuing operations	$ (0.19)	$ 0.37	$ 0.25	$ 1.22
Net earnings/(loss)	$ (0.18)	$ 0.37	$ 0.25	$ 1.22

(Dollars in millions, except per share data)	Fiscal Year 2014, By Quarters			
	First	Second	Third	Fourth
Net revenue	$ 414.3	$ 440.7	$ 453.1	$ 519.6
Gross margin	119.2	137.4	151.7	190.3
Earnings/(loss) from continuing operations less net income (loss) attributable to noncontrolling interest	1.9	(18.6)	8.4	27.2
Net earnings/(loss) from discontinued operations, net of tax	(0.4)	(0.6)	(1.7)	—
Net earnings/(loss) attributable to Catalent	$ 1.5	$ (19.2)	$ 6.7	$ 27.2
Earnings per share attributable to Catalent:				
Basic				
Earnings/(loss) from continuing operations	$ 0.03	$ (0.25)	$ 0.11	$ 0.36
Net earnings/(loss)	$ 0.02	$ (0.26)	$ 0.09	$ 0.36
Diluted				
Earnings/(loss) from continuing operations	$ 0.02	$ (0.25)	$ 0.11	$ 0.36
Net earnings/(loss)	$ 0.02	$ (0.26)	$ 0.09	$ 0.36

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's President and Chief Executive Officer, and the Company's Executive Vice President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. The Company's management, with the participation of the Company's President and Chief Executive Officer, and the Company's Executive Vice President and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, the Company's President and Chief Executive Officer and the Company's Executive Vice President and Chief Financial Officer concluded that, as of June 30, 2015, the Company's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting. Our internal control over financial reporting is designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of our consolidated financial statements in accordance with U.S. generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because either conditions change or the degree of compliance with our policies and procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of June 30, 2015. In making this assessment, management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*. Based on this assessment, our management concluded that our internal control over financial reporting was effective as of June 30, 2015.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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ITEM 9B. OTHER INFORMATION

Iran Threat Reduction and Syria Human Rights Act of 2012

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (“ITRSHRA”), which added Section 13(r) of the Exchange Act, the Company hereby incorporates by reference herein Exhibit 99.1 of this report, which includes disclosures publicly filed and/or provided to Blackstone by Travelport Worldwide Limited, which may be considered our affiliate.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning our Directors and Executive Officers, "Section 16(a) Beneficial Ownership Reporting Compliance," definitive shareholder communications with our Board of Directors, and corporate governance may be found in our Proxy Statement for the 2015 Annual Meeting of Shareholders, which will be filed within 120 days after June 30, 2015, the close of our fiscal year covered by this Annual Report on Form 10-K (the "Proxy Statement"). Such information is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation may be found in our Proxy Statement, which will be filed within 120 days after June 30, 2015, the close of our fiscal year. Such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management may be found in the Proxy Statement, which will be filed within 120 days after June 30, 2015, the close of our fiscal year. Such information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related party transactions, and director independence may be found in our Proxy Statement, which will be filed within 120 days after June 30, 2015, the close of our fiscal year. Such information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding the fees paid to and services performed by our independent accountants may be found in our Proxy Statement, which will be filed within 120 days after June 30, 2015, the close of our fiscal year. Such information is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements. The Financial Statements listed in the Index to Financial Statements, are filed under Item 8 of this Annual Report on Form 10-K.

(a)(2) Financial Statements Schedule.

Deferred Tax Assets - Valuation Allowance

(Dollars in millions)	Beginning Balance	Current Period (Charge) / Benefit	Deductions and Other	Ending Balance
Year ended June 30, 2013				
Tax Valuation Allowance	$ (203.3)	$ (9.1)	$ 4.0	$ (208.4)
Year ended June 30, 2014				
Tax Valuation Allowance	$ (208.4)	$ (16.1)	$ 6.3	$ (218.2)
Year ended June 30, 2015				
Tax Valuation Allowance	$ (218.2)	$ 107.7	$ 28.1	$ (82.4)

(b) Exhibits.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves and you should not rely on them for that purpose. In particular, any representation or warranty made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Catalent, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587)
3.2	Amended and Restated Bylaws of Catalent, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587)
10.1	Stockholders Agreement, dated as of August 5, 2014, between Catalent, Inc. and Blackstone Healthcare Partners L.L.C. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587)
10.2	Registration Rights Agreement, dated as of August 5, 2014, by and among Catalent, Inc. and certain of its stockholders (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587)
10.3	Form of Severance Agreement between named executive officers and Catalent Pharma Solutions, Inc. (incorporated by reference to Exhibit 10.3 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 17, 2010, File No. 333-147871) †
10.4	Offer Letter, dated August 25, 2009, between William Downie and Catalent Pharma Solutions, Inc. (incorporated by reference to Exhibit 10.4 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 4, 2012, File No. 333-147871) †
10.5	Letter Agreement, dated November 18, 2010, between Catalent Pharma Solutions, Inc. and William Downie (incorporated by reference to Exhibit 10.6 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 4, 2012, File No. 333-147871) †

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10.6	Employment Agreement, dated as of October 11, 2011, and effective as of September 26, 2011, by and between Catalent Pharma Solutions, Inc. and Matthew Walsh (including Form of Restricted Stock Unit Agreement and Form of Nonqualified Stock Option Agreement) (incorporated by reference to Exhibit 10.42 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 4, 2012, File No. 333-147871) †
10.7	Management Equity Subscription Agreement dated September 8, 2010 by and between Catalent, Inc. (formerly known as PTS Holdings Corp.) and Melvin D. Booth (incorporated by reference to Exhibit 10.7 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 17, 2010, File No. 333-147871) †
10.8	Amended and Restated Management Equity Subscription Agreement dated as of October 11, 2011 by and between Catalent, Inc. (formerly known as PTS Holdings Corp.) and Matthew Walsh (incorporated by reference to Exhibit 10.43 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 4, 2012, File No. 333-147871) †
10.9	Form of Unit Subscription Agreement (incorporated by reference to Exhibit 10.12 to Catalent Pharma Solutions, Inc.'s Amendment No. 1 to the Registration Statement on Form S-4/A filed on March 3, 2008, File No. 333-147871) †
10.10	Form of Management Equity Subscription Agreement (incorporated by reference to Exhibit 10.13 to Catalent Pharma Solutions, Inc.'s Amendment No. 1 to the Registration Statement on Form S-4/A filed on March 3, 2008, File No. 333-147871) †
10.11	Form of Nonqualified Stock Option Agreement (executives) (incorporated by reference to Exhibit 10.14 to Catalent Pharma Solutions, Inc.'s Amendment No. 1 to the Registration Statement on Form S-4/A filed on March 3, 2008, File No. 333-147871) †
10.12	Form of Nonqualified Stock Option Agreement (non-employee directors) (incorporated by reference to Exhibit 10.15 to Catalent Pharma Solutions, Inc.'s Amendment No. 1 to the Registration Statement on Form S-4/A filed on March 3, 2008, File No. 333-147871) †
10.13	2007 PTS Holdings Corp. Stock Incentive Plan (incorporated by reference to Exhibit 10.16 to Catalent Pharma Solutions, Inc.'s Registration Statement on Form S-4 filed on December 6, 2007, File No. 333-147871) †
10.14	Amendment No. 1 to the 2007 PTS Holdings Corp. Stock Incentive Plan, dated September 8, 2010 (incorporated by reference to Exhibit 10.16 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 17, 2010, File No. 333-147871) †
10.15	Amendment No. 2 to the 2007 PTS Holdings Corp. Stock Incentive Plan, dated June 25, 2013 (incorporated by reference to Exhibit 10.45 to Catalent, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1/A as filed on September 28, 2014, File No. 333-193542) †
10.16	Form of Nonqualified Stock Option Agreement (executives) approved October 23, 2009 (incorporated by reference to Exhibit 10.1 to Catalent Pharma Solutions, Inc.'s Quarterly Report on Form 10-Q filed on February 12, 2010, File No. 333-147871) †
10.17	Form of Nonqualified Stock Option Agreement Amendment (executives) approved October 23, 2009 (incorporated by reference to Exhibit 10.3 to Catalent Pharma Solutions, Inc.'s Quarterly Report on Form 10-Q filed on February 12, 2010), File No. 333-147871) †
10.18	Form of Nonqualified Stock Option Agreement (executives) approved June 25, 2013 (incorporated by reference to Exhibit 10.45 of Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 10, 2013, File No. 333-147871) †
10.19	Form of Nonqualified Stock Option Agreement (Chief Executive Officer) approved June 25, 2013 (incorporated by reference to Exhibit 10.46 of Catalent Pharma Solutions Inc.'s Annual Report on Form 10-K filed on September 10, 2013, File No. 333-147871) †
10.20	Form of Nonqualified Stock Option Agreement (John R. Chiminski) approved October 23, 2009 (incorporated by reference to Exhibit 10.4 to Catalent Pharma Solutions, Inc.'s Quarterly Report on Form 10-Q filed on February 12, 2010, File No. 333-147871) †
10.21	Form of Restricted Stock Unit Agreement (John R. Chiminski) approved October 23, 2009 (incorporated by reference to Exhibit 10.5 to Catalent Pharma Solutions, Inc.'s Quarterly Report on Form 10-Q filed on February 12, 2010, File No. 333-147871) †

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10.22	Catalent Pharma Solutions, LLC Deferred Compensation Plan (incorporated by reference to Exhibit 10.19 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 28, 2009, File No. 333-147871) †
10.23	First Amendment to the Catalent Pharma Solutions, LLC Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 to Catalent Pharma Solutions, Inc.'s Quarterly Report on Form 10-Q filed on February 17, 2009, File No. 333-147871) †
10.24	Second Amendment to the Catalent Pharma Solutions, LLC Deferred Compensation Plan (incorporated by reference to Exhibit 10.21 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 28, 2009, File No. 333-147871) †
10.25	Catalent, Inc. 2014 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587) †
10.26	Form of Stock Option Agreement for U.S. Employees (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587) †
10.27	Form of Restricted Stock Unit Agreement for U.S. Employees (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587) †
10.28	Form of Restricted Stock Unit Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587) †
10.29	Form of Stock Option Agreement for Non-U.S. Employees (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587) †
10.30	Form of Restricted Stock Unit Agreement for Non-U.S. Employees (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on August 5, 2014, File No. 001-36587) †
10.31	Amended and Restated Credit Agreement, dated as of May 20, 2014, relating to the Credit Agreement, dated as of April 10, 2007, as amended, among Catalent Pharma Solutions, Inc., PTS Intermediate Holdings LLC, Morgan Stanley Senior Funding, Inc., as the administrative agent, collateral agent and swing line lender and other lenders as parties thereto (incorporated by reference to Exhibit 10.1 to Catalent Pharma Solutions, Inc.'s Current Report on Form 8-K filed on May 27, 2014, File No. 333-147871)
10.32	Form of Performance Share Unit for U.S. Employees (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 13, 2014, File No. 001-36587) †
10.33	Form of Performance Share Unit for Non-U.S. Employees (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on November 13, 2014, File No. 001-36587)†
10.34	Intellectual Property Security Agreement, dated as of April 10, 2007, among PTS Acquisition Corp., Cardinal Health 409, Inc., PTS Intermediate Holdings LLC, Certain Subsidiaries of Holdings Identified Therein and Morgan Stanley Senior Funding, Inc. (incorporated by reference to Exhibit 10.21 to Catalent Pharma Solutions, Inc.'s Registration Statement on Form S-4 filed on December 6, 2007, File No. 333-147871)
10.35	Intellectual Property Security Agreement Supplement, dated as of July 1, 2008, to the Intellectual Property Security Agreement, dated as of April 10, 2007, among PTS Acquisition Corp., Cardinal Health 409, Inc., PTS Intermediate Holdings LLC, Certain Subsidiaries of Holdings Identified Therein and Morgan Stanley Senior Funding, Inc. (incorporated by reference to Exhibit 10.28 to Catalent Pharma Solutions, Inc.'s Annual Report on Form 10-K filed on September 29, 2008, File No. 333-147871)
10.36	Amendment No. 1, dated December 1, 2014 to Amended and Restated Credit Agreement, dated as of May 20, 2014 among Catalent Pharma Solutions, Inc., PTS Intermediate Holdings LLC, Morgan Stanley Senior Funding, Inc., as the administrative agent, collateral agent and swing line lender and other lenders as parties thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 2, 2014, File No. 001-36587)
10.37	Employment Agreement, dated October 22, 2014 by and among Catalent, Inc. and John R. Chiminski (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 24, 2014), File No. 001-36587 †

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10.38	Relocation agreement, dated November 18, 2010, between William Downie and Catalent Pharma Solutions, Inc. † *
10.39	Offer letter, dated May 4, 2009, between Stephen Leonard and Catalent Pharma Solutions, Inc. † *
10.40	Offer letter, dated April 18, 2011, between Sharon Johnson and Catalent Pharma Solutions, Inc. † *
10.41	Relocation agreement, dated April 6, 2011, between Sharon Johnson and Catalent Pharma Solutions, Inc. † *
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges*
21.1	Subsidiaries of the Registrant*
23.1	Consent of Ernst & Young LLP*
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended*
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended*
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101.1	The following materials are formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income (Loss), (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statement of Changes in Shareholders' Equity (Deficit), (v) the Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements

* Filed herewith

** Furnished herewith

† Represents a management contract, compensatory plan or arrangement in which directors and/or executive officers are eligible to participate.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CATALENT, INC.

Date: September 2, 2015

By: /s/ STEVEN L. FASMAN

Steven L. Fasman
Senior Vice President & General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN R. CHIMINSKI **John R. Chiminski**	President & Chief Executive Officer (Principal Executive Officer) and Director	September 2, 2015
/s/ CHINH E. CHU **Chinh E. Chu**	Chairman of the Board and Director	September 2, 2015
/s/ MELVIN D. BOOTH **Melvin D. Booth**	Director	September 2, 2015
/s/ J. MARTIN CARROLL **J. Martin Carroll**	Director	September 2, 2015
/s/ ROLF CLASSON **Rolf Classon**	Director	September 2, 2015
/s/ BRUCE MCEVOY **Bruce McEvoy**	Director	September 2, 2015
/s/ GREGORY T. LUCIER **Gregory T. Lucier**	Director	September 2, 2015
/s/ JAMES QUELLA **James Quella**	Director	September 2, 2015
/s/ JACK STAHL **Jack Stahl**	Director	September 2, 2015
/s/ MATTHEW M. WALSH **Matthew M. Walsh**	Executive Vice President & Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 2, 2015

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Exhibit 10.1

PERFORMANCE SHARE UNIT GRANT NOTICE
UNDER THE
CATALENT, INC.
2014 OMNIBUS INCENTIVE PLAN

Catalent, Inc. (the "Company"), pursuant to its 2014 Omnibus Incentive Plan, as it may be amended from time to time (the "Plan"), hereby grants to the Participant set forth below the target number of Performance Share Units (which are performance-based Restricted Stock Units for purposes of the Plan) as set forth below. The Performance Share Units are subject to all of the terms and conditions as set forth herein and in the Performance Share Unit Agreement (attached hereto or previously provided to the Participant in connection with a prior grant) and the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein (including Exhibit A attached hereto) shall have the meaning set forth in the Plan or the Performance Share Unit Agreement.

Participant:	[*Insert Participant Name*]
Date of Grant:	[*Insert Date of Grant*]
Performance Period:	The period commencing on and ending on .
Target Number of Performance Share Units:	[*Insert Target Number of PSUs*], subject to adjustment as set forth in the Plan.

* * *

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THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS PERFORMANCE SHARE UNIT GRANT NOTICE, THE PERFORMANCE SHARE UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF PERFORMANCE SHARE UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS PERFORMANCE SHARE UNIT GRANT NOTICE, THE PERFORMANCE SHARE UNIT AGREEMENT AND THE PLAN. THE PARTICIPANT'S RIGHTS UNDER THE PERFORMANCE SHARE UNIT GRANT NOTICE AND THE PERFORMANCE SHARE UNIT AGREEMENT WILL LAPSE SIXTY (60) DAYS FROM THE DATE OF GRANT AND THE PERFORMANCE SHARE UNITS WILL BE FORFEITED ON SUCH DATE IF THE PARTICIPANT SHALL NOT HAVE ACCEPTED THIS PERFORMANCE SHARE UNIT GRANT NOTICE AND THE PERFORMANCE SHARE UNIT AGREEMENT BY SUCH DATE.

This Performance Share Unit Grant Notice may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

CATALENT, INC. PARTICIPANT

________________________________ ________________________________

By:

Title:

1 To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereof.

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PERFORMANCE SHARE UNIT AGREEMENT
UNDER THE
CATALENT, INC.
2014 OMNIBUS INCENTIVE PLAN

Pursuant to the Performance Share Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Performance Share Unit Agreement (this "Performance Share Unit Agreement") and the Catalent, Inc. 2014 Omnibus Incentive Plan, as it may be amended from time to time (the "Plan"), Catalent, Inc. (the "Company") and the Participant agree as follows.

1. **Definitions**. Whenever the following terms are used in this Performance Share Unit Agreement, they shall have the meanings set forth below. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan or the Grant Notice, as applicable.

(a) Employment. The term "Employment" means the Participant's employment as an employee of the Company or any of its Affiliates or Subsidiaries.

(b) Restrictive Covenant Violation. The term "Restrictive Covenant Violation" shall mean the Participant's breach of the Restrictive Covenants set forth in Section 10 or any covenant regarding confidentiality, competitive activity, solicitation of the Company's or any of its Affiliates' or Subsidiaries' vendors, suppliers, customers or employees or any similar provision applicable to or agreed to by the Participant.

(c) Retirement. The term "Retirement" shall mean a Termination by the Participant that occurs on or after the date on which the Participant attains the age of sixty-five (65) and has completed at least ten (10) years of Employment (other than a Termination when grounds existed for a Termination for Cause at the time thereof).

(d) Termination Date. The term "Termination Date" shall mean the date upon which the Participant incurs a Termination for any reason.

2. **Grant of Performance Share Units**. Subject to the terms and conditions set forth herein, in the Grant Notice and in the Plan, for good and valuable consideration, the Company hereby grants to the Participant the Target Number of Performance Share Units (which are performance-based Restricted Stock Units for purposes of the Plan) provided in the Grant Notice (with each Performance Share Unit representing an unfunded, unsecured right to receive one share of Common Stock). The Company may make one or more additional grants of Performance Share Units to the Participant under this Performance Share Unit Agreement by providing the Participant with a new Grant Notice and new Exhibit A, to the extent applicable, which may also include any terms and conditions differing from this Performance Share Unit Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Performance Share Units hereunder and makes no implied promise to grant additional Performance Share Units.

3. **Vesting**. Subject to the conditions contained herein and in the Plan, the Performance Share Units shall vest as provided on Exhibit A or in Section 6 below. With respect to any Performance Share Unit, the period of time that such Performance Share Unit remains subject to vesting shall be its Restricted Period.

4. **Dividend Equivalents**. The Performance Share Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on shares of Common Stock. Such dividend equivalents will be provided in shares of Common Stock having a Fair Market Value equal to the amount of such applicable dividends, and shall be shall be payable at the same time as the Performance Share Units are settled in accordance with Section 5 below. In the event that any Performance Share Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of such forfeited Performance Share Units.

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5. **Settlement of Performance Share Units**. Upon expiration of the Restricted Period with respect to any outstanding Performance Share Units that have not previously been forfeited in accordance with Exhibit A or Section 6 below, the Company shall issue to the Participant as soon as practicable (but no later than March 15 of the year following the year in which the Restricted Period expires) one share of Common Stock for each Performance Share Unit and such Performance Share Unit shall be cancelled; *provided*, *however*, that the Committee may, in its sole discretion, elect to defer the issuance of such shares beyond the expiration of the Restricted Period if such extension would not cause adverse tax consequences under Section 409A of the Code.

6. **Treatment on Termination**.

(a) Subject to clauses (b) - (d) below, in the event of a Termination prior to the Regular Vesting Date, the CIC Vesting Date or the Time Vesting Date (each as defined on Exhibit A), as applicable, (i) all vesting with respect to the Participant's Performance Share Units shall cease and (ii) unvested Performance Share Units shall be forfeited to the Company by the Participant for no consideration as of the Termination Date.

(b) *Death*. If the Participant incurs a Termination due to death, the Target Number of Performance Share Units or the number of Converted PSUs (as defined on Exhibit A) to the extent applicable, shall, to the extent not then vested or previously forfeited or cancelled, become fully vested, the Restricted Period shall expire and any unvested Performance Share Units will immediately be forfeited to the Company by the Participant for no consideration.

(c) *Disability/Retirement*. If the Participant incurs a Termination due to Disability or Retirement, in each case, the number of Performance Share Units as determined in accordance with Exhibit A, to the extent applicable, shall, to the extent not then vested or previously forfeited or cancelled, continue to vest as provided on Exhibit A as if the Participant had continued Employment through the Regular Vesting Date, the CIC Vesting Date or the Time Vesting Date, as applicable, subject to the Participant's compliance with the restrictive covenants set forth in Section 10 and the Participant's execution, delivery and non-revocation of a waiver and release of claims in favor of the Company and its Affiliates and Subsidiaries in a form prescribed by the Company on or prior to the 60th day following the Termination Date; provided, however, in the case of a Termination due to Retirement, the number of Performance Share Units, if any, that shall vest, as determined in accordance with Exhibit A shall be multiplied by a fraction, the numerator of which is equal to the number of days between and including the first day of the Performance Period and the date the Participant incurs a Termination due to Retirement and the denominator of which is 1095. Upon the Regular Vesting Date, the CIC Vesting Date or the Time Vesting Date, as applicable, the Restricted Period shall expire and any unvested Performance Share Units will immediately be forfeited to the Company by the Participant for no consideration.

(d) *Change in Control*. In the event of a Change in Control, to the extent the acquiring or successor entity assumes, continues or substitutes for the Performance Share Units as provided for and described on Exhibit A hereto, if the Participant incurs a Termination by the Service Recipient without Cause (other than due to death or Disability) during the period commencing on the date of the consummation of a Change in Control and ending on the date that is eighteen (18) months following the consummation of such Change in Control, the number of Converted PSUs shall, to the extent not then vested or previously forfeited or cancelled, become fully vested, the Restricted Period shall expire and any unvested Performance Share Units will immediately be forfeited to the Company by the Participant for no consideration.

7. **Non-Transferability**. The Performance Share Units are not transferable by the Participant except to Permitted Transferees in accordance with Section 14(b) of the Plan. Whenever the word "Participant" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to executors, the administrators or the person or persons to whom the Performance Share Units may be transferred by will or by the laws of descent and distribution in accordance with Section 14 of the Plan, the word "Participant" shall be deemed to include such person or persons. Except as otherwise provided herein, no assignment or transfer of the Performance Share Units, or of the rights represented thereby, whether voluntary or involuntary, by operation

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of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Performance Share Units shall terminate and become of no further effect.

8. **Rights as Stockholder**. Except as otherwise expressly provided for herein, the Participant or a Permitted Transferee of the Performance Share Units shall have no rights as a stockholder with respect to any share of Common Stock underlying a Performance Share Unit unless and until the Participant shall have become the holder of record or the beneficial owner of such Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

9. **Repayment of Proceeds; Clawback Policy**. If a Restrictive Covenant Violation occurs or the Company discovers after a Termination that grounds existed for Cause at the time thereof, then the Participant shall be required, in addition to any other remedy available (on a non-exclusive basis), to pay to the Company, within ten (10) business days of the Company's request to the Participant therefor, an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the Performance Share Units and any shares issued in respect thereof. Any reference in this Performance Share Unit Agreement to grounds existing for a Termination for Cause shall be determined without regard to any notice period, cure period, or other procedural delay or event required prior to finding of or termination with, Cause. The Performance Share Units and all proceeds thereof shall be subject to the Company's Clawback Policy, as in effect from time to time, to the extent the Participant is a director or "officer" as defined under Rule 16a-1(f) of the Exchange Act.

10. **Restrictive Covenants**.

(a) To the extent that the Participant is a party to an employment or similar agreement with the Company or one of its Affiliates or Subsidiaries containing non-competition, non-solicitation, non-interference or confidentiality restrictions (or two or more such restrictions), those restrictions and related enforcement provisions under such agreement shall govern and the following provisions of this Section 10 shall not apply.

(b) Competitive Activity

(i) The Participant shall be deemed to have engaged in "Competitive Activity" if, during the period commencing on the Date of Grant and ending on the date that is 12 months after the Termination Date (the "Restricted Activity Period"), the Participant, whether on the Participant's own behalf or on behalf of or in conjunction with any other Person (as defined below), directly or indirectly, violates any of the following prohibitions:

(I) During the Restricted Activity Period, the Participant will not, whether on the Participant's own behalf or on behalf of or in conjunction with any person, firm, part-nership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever ("Person"), directly or indirectly, solicit or assist in soliciting in competition with the Company or any of its Subsidiaries, the business of any client or prospective client:

(1) with whom the Participant had personal contact or dealings on behalf of the Company or any of its Subsidiaries during the one year period preceding the Termination Date;

(2) with whom employees reporting to the Participant have had personal contact or dealings on behalf of the Company or any of its Subsidiaries during the one year immediately preceding the Termination Date; or

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(3) for whom the Participant had direct or indirect responsibility during the one year immediately preceding the Termination Date.

(II) During the Restricted Activity Period, the Participant will not directly or indirectly:

(1) engage in any business that competes with the business of the Company or any of its Subsidiaries, including, but not limited to, providing formulation/dose form technologies and/or contract services to pharmaceutical, biotechnology, over-the-counter and vitamin/mineral supplements companies related to pre-clinical and clinical development, formulation, analysis, manufacturing and/or packaging and any other technology, product or service of the type developed, manufactured or sold by the Company or any of its Subsidiaries (including, without limitation, any other business which the Company or any of its Subsidiaries have plans to engage in as of the Termination Date) in any geographical area where the Company or any of its Subsidiaries conduct business (a "Competitive Business");

(2) enter the employ of, or render any services to, any Person (or any division or controlled or controlling Affiliate of any Person) who or which engages in a Competitive Business;

(3) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(4) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the Date of Grant) between the Company or any of its Subsidiaries and customers, clients, suppliers, or investors of the Company or any of its Subsidiaries.

Notwithstanding anything to the contrary in this Performance Share Unit Agreement, the Participant may, directly or indirectly own, solely as an investment, securities of any entity engaged in the business of the Company or any of its Subsidiaries which are publicly traded on a national or regional stock exchange or on the over-the-counter market if the Participant (i) is not a controlling person of, or a member of a group which controls, such Person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(III) During the Restricted Activity Period, the Participant will not, whether on the Participant's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(1) solicit or encourage any employee of the Company or any of its Subsidiaries to leave the employment of the Company or any of its Subsidiaries; or

(2) hire any such employee who was employed by the Company or any of its Subsidiaries as of the Termination Date or who left the employment of the Company or any of its Subsidiaries coincident with, or within six (6) months prior to or after, the Termination Date; provided, however, that this restriction shall cease to apply to any employee who has not been employed by the Company or any of its Subsidiaries for at least six (6) months.

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(IV) During the Restricted Activity Period, the Participant will not, directly or indirectly, solicit or encourage to cease to work with the Company or any of its Subsidiaries any consultant then under contract with the Company or any of its Subsidiaries.

(ii) It is expressly understood and agreed that although the Participant and the Company consider the restrictions contained in this Section 10(b) to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Performance Share Unit Agreement is an unenforceable restriction against the Participant, the provisions of this Performance Share Unit Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Performance Share Unit Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) Confidentiality

(i) The Participant will not at any time (whether during or after the Participant's Employment) (x) retain or use for the benefit, purposes or account of the Participant or any other Person; or (y) disclose, divulge, reveal, communicate, share, transfer or provide access to any person outside the Company and its Affiliates and Subsidiaries (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information --including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals -- concerning the past, current or future business, activities and operations of the Company, its Subsidiaries or Affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

(ii) "Confidential Information" shall not include any information that is (x) generally known to the industry or the public other than as a result of the Participant's breach of this covenant or any breach of other confidentiality obligations by third parties, (y) made legitimately available to the Participant by a third party without breach of any known confidentiality obligation, or (z) required by law to be disclosed or in any judicial or administrative process; provided that the Participant shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate, at the Company's cost, with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Except as required by law, the Participant will not disclose to anyone, other than the Participant's immediate family and legal or financial or tax advisors or lender, each of whom the Participant agrees to instruct not to disclose, the existence or contents of this Performance Share Unit Agreement (unless this Performance Share Unit Agreement shall be publicly available as a result of a regulatory filing made by the Company or one of its Affiliates or Subsidiaries); provided, that the Participant may disclose to any prospective future employer the provisions of Section 10 of this Performance Share Unit Agreement provided they agree to maintain the confidentiality of such terms.

(iv) Upon Termination, the Participant shall (x) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its Subsidiaries or Affiliates; (y) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in the Participant's possession or control (including any of the foregoing stored or located in the Participant's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company or one of its Affiliates or Subsidiaries, except that

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the Participant may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information; and (z) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which the Participant is or becomes aware.

(d) Equitable Relief.

Notwithstanding the remedies set forth in Section 9 above and notwithstanding any other remedy which would otherwise be available to the Company at law or in equity, the Company and the Participant agree and acknowledge that if an actual or threatened Restrictive Covenant Violation occurs, the Company will be entitled to an injunction and/or other equitable relief restraining the Participant from the Restrictive Covenant Violation without the necessity of posting a bond or proving actual damages.

11. **Tax Withholding**. The provisions of Section 14(d) of the Plan are incorporated herein by reference and made a part hereof.

12. **Notice**. Every notice or other communication relating to this Performance Share Unit Agreement between the Company and the Participant shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; *provided* that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

13. **No Right to Continued Employment**. Neither the Plan nor this Performance Share Unit Agreement nor the granting of the Performance Share Units evidenced hereby shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship to, the Company or any of its Affiliates or Subsidiaries. Further, the Company, or, if different, the Service Recipient, may at any time dismiss the Participant or discontinue any consulting relationship, free from any liability or any claim under the Plan or this Performance Share Unit Agreement, except as otherwise expressly provided herein.

14. ***Data Privacy*. *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Performance Share Unit Agreement and any other Performance Share Unit grant materials by and among, as applicable, the Service Recipient, the Company and its other Affiliates or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.***

The Participant understands that the Company and the Service Recipient may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Performance Share Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Morgan Stanley Smith Barney LLC, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that the Participant may request a list with the names and addresses of any potential

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recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Morgan Stanley Smith Barney LLC and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's Employment and career with the Service Recipient will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Performance Share Units or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.

15. **Binding Effect**. This Performance Share Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

16. **Waiver and Amendments**. Subject to Section 13(b) of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Performance Share Unit Agreement, prospectively or retroactively (including after the Participant's Termination); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Participant hereunder shall not to that extent be effective without the consent of the Participant. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

17. **Governing Law; Venue.** This Performance Share Unit Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. For purposes of litigating any dispute that arises under this grant or this Performance Share Unit Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New Jersey, agree that such litigation shall be conducted in the courts of Somerset County, or the federal courts for the United States for the District of New Jersey, where this grant is made and/or to be performed.

18. **Plan**. The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Performance Share Unit Agreement, the Plan shall govern and control.

19. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. **Imposition of Other Requirements**. The Company reserves the right to impose any other requirements on the Participant's participation in the Plan, on the Performance Share Units and on any shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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21. **Section 409A of the Code**. The Performance Share Units are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Performance Share Unit Agreement, if at any time the Committee determines that the Performance Share Units (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify the Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Performance Share Unit Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for the Performance Share Units to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

22. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., Performance Share Units) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and is advised to consult his or her personal legal advisor on this matter.

23. **Entire Agreement**. This Performance Share Unit Agreement, the Grant Notice and the Plan constitute the entire understanding between the Participant and the Company regarding the Performance Share Units. This Performance Share Unit Agreement, the Grant Notice and the Plan supersede any prior agreements, commitments or negotiations concerning the Performance Share Units.

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Exhibit A

1. **Vesting/Change in Control**. Except as otherwise expressly provided in Section 6 of the Performance Share Unit Agreement, provided the Participant has not incurred a Termination on or prior to the Regular Vesting Date (as defined below), the Performance Share Units granted hereunder shall vest upon the date on which the Committee determines the cumulative Revenue (as defined below) growth during the Performance Period and the cumulative EBITDA (as defined below) growth during the Performance Period, in each case, as of the last day of the Performance Period, which determination shall be made no later than the seventy-fifth (75th) day following the end of the Performance Period (the "Regular Vesting Date") and in an amount, if any, equal to the product of (1) the Target Number of Performance Share Units and (2) the Cumulative Performance Percentage (as defined and described below). Upon the Regular Vesting Date, the Restricted Period shall expire and any vested Performance Share Units shall be settled in accordance with Section 5 of the Performance Share Unit Agreement. Any Performance Share Units that do not become vested in accordance with this Exhibit A (to the extent not previously forfeited pursuant to Section 6 of the Performance Share Unit Agreement) shall, effective as of the Regular Vesting Date, be forfeited by the Participant without consideration.

Notwithstanding the foregoing:

(i) in the event of a Change in Control on or prior to July 1, 2015, to the extent the acquiring or successor entity does not assume, continue or substitute for the Performance Share Units, the Target Number of Performance Share Units, to the extent not then vested or previously forfeited or cancelled, shall become fully vested and on such date the Restricted Period shall expire (the date of such vesting and expiration, the "CIC Vesting Date");

(ii) in the event of a Change in Control after July 1, 2015 but prior to the end of the Performance Period, to the extent the acquiring or successor entity does not assume, continue or substitute for the Performance Share Units, a number of Performance Share Units equal to the number that would have vested based on the Cumulative Performance Percentage measured as of the last day of the fiscal year immediately preceding the date of the Change in Control (such day, the "End Date") based on actual growth between July 1, 2014 through and including the End Date, measuring cumulative growth as of the End Date, to the extent not then vested or previously forfeited or cancelled, shall become fully vested and the Restricted Period with respect to such Performance Share Units shall expire on the CIC Vesting Date;

(iii) in the event of a Change in Control on or prior to July 1, 2015, to the extent the acquiring or successor entity assumes, continues or substitutes for the Performance Share Units, in lieu of the vesting schedule in the first paragraph above, the Target Number of Performance Share Units will be subject to the following vesting schedule: provided the Participant has not incurred a Termination prior to the Time Vesting Date (as defined below), such Performance Share Units shall vest on June 30, 2017 (the "Time Vesting Date") and, on the Time Vesting Date, the Restricted Period with respect to such Converted PSUs (as defined below) shall expire; and

(iv) in the event of a Change in Control after July 1, 2015, to the extent the acquiring or successor entity assumes, continues or substitutes for the Performance Share Units, in lieu of the vesting schedule in the first paragraph above, a number of Performance Share Units equal to the number that would have vested based on the Cumulative Performance Percentage measured as of the End Date based on actual growth between [ ] through and including the End Date, measuring cumulative growth as of the End Date, will be subject to the following vesting schedule: provided the Participant has not incurred a Termination prior to the Time Vesting Date, such Performance Share Units shall vest on the Time Vesting Date and, on the Time Vesting Date, the Restricted Period with respect to such Converted PSUs shall expire.

Any Performance Share Units that do not vest or become Converted PSUs, as applicable, shall immediately be forfeited without any further action by the Company or the Participant and without any payment of consideration therefor.

For purposes of this Exhibit A and the Performance Share Unit Agreement, the term "Converted PSUs" shall mean those Performance Share Units that result from conversion pursuant to clause (iii) or clause (iv) above.

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2. **Cumulative Performance Percentage**. A number of Performance Share Units granted hereunder shall vest, if at all, based on the Cumulative Performance Percentage which is based on the cumulative Revenue (as defined below) growth during the Performance Period and the cumulative EBITDA (as defined below) growth during the Performance Period, determined as of the last day of the Performance Period in accordance with this Section 2.

For purposes of this Exhibit A:

"**Revenue**" shall mean net revenue as presented in the Company's annual Securities and Exchange Commission filings but will be adjusted to [ ] fiscal year average foreign exchange rates. Future performance will be translated at constant foreign exchange rates in order to gauge performance against revenue goals in consideration of foreign currency fluctuations, which may occur. Revenue targets may also be adjusted during the Performance Period for any unusual items as defined and interpreted by the Committee including, but not limited to acquisitions and divestitures.

"**EBITDA**" shall mean the Company's internally adjusted EBITDA which is generally calculated in the same manner as Adjusted EBITDA is calculated for purposes of the Company's indentures governing its notes and its credit agreement governing its senior unsecured term loan facility, except for the impact of foreign exchange and other non-operational matters. EBITDA is based on [ ] fiscal year average foreign exchange rates and future performance will be translated at constant foreign exchange rates in order to gauge performance against EBITDA goals in consideration of foreign currency fluctuations, which may occur. EBITDA targets may also be adjusted during the Performance Period for any unusual items as defined and interpreted by the Committee including, but not limited to acquisitions and divestitures.

The Cumulative Performance Percentage shall be equal to the sum of twenty-five percent (25%) of the Revenue Performance Percentage and seventy-five percent (75%) of the EBITDA Performance Percentage as outlined and determined below.

Cumulative Revenue Growth (during the Performance Period expressed as a percentage assuming the starting point for Revenue growth is $ million)	**Revenue Performance Percentage**
%- %	%
%	%
%	%
%	%
%	%
%	%
%+	%

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Cumulative EBITDA Growth (during the Performance Period expressed as a percentage assuming the starting point for EBITDA growth is $ million)	**EBITDA Performance Percentage**
%	%
%	%
%	%
%	%
%	%
%	%
%	%
%+	%

Cumulative Performance Percentage

(the Revenue and EBITDA dollar amounts reflected below assume the full Performance Period runs and such amounts reflect Revenue and EBITDA for the 20[ ], 20[ ] and 20[ ] fiscal years, in the aggregate)

		Cumulative EBITDA (75%) (in millions)				
		$	**$**	**$**	**$**	**$**
Cumulative Revenue (25%) (in millions)	**$**	%	%	%	%	%
	$	%	%	%	%	%
	$	%	%	%	%	%
	$	%	%	%	%	%
	$	%	%	%	%	%

The Revenue Performance Percentage, EBITDA Performance Percentage and Cumulative Performance Percentage shall each be a linear interpolation for any achievement that falls between the above targets, provided that there shall be no linear interpolation if the cumulative Revenue growth increases on average by less than [ ]% as of the last day of the Performance Period and/or the cumulative EBITDA growth increases on average by less than [ ]% as of the last day of the Performance Period. The maximum possible payout is [ ]percent ([ ]%) of the Target Number of Performance Share Units if cumulative Revenue growth increases on average by at least [ ] percent ([ ]%) as of the last day of the Performance Period and cumulative EBITDA growth increases on average by at least [ ] percent ([ ]%) as of the last day of the Performance Period.

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ExExhibit 10.2

PERFORMANCE SHARE UNIT GRANT NOTICE FOR NON-U.S. PARTICIPANTS UNDER THE CATALENT, INC. 2014 OMNIBUS INCENTIVE PLAN

Catalent, Inc. (the "Company"), pursuant to its 2014 Omnibus Incentive Plan, as it may be amended from time to time (the "Plan"), hereby grants to the Participant set forth below the target number of Performance Share Units (which are performance-based Restricted Stock Units for purposes of the Plan) as set forth below. The Performance Share Units are subject to all of the terms and conditions as set forth herein and in the Performance Share Unit Agreement for Non-U.S. Participants, including any special terms and conditions for the Participant's country set forth in Appendix A (both attached hereto), and the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein (including Exhibit A attached hereto) shall have the meaning set forth in the Plan or the Performance Share Unit Agreement.

Participant: [*Insert Participant Name*]

Date of Grant: [*Insert Date of Grant*]

Performance Period: The period commencing on and ending on .

Target Number of Performance Share Units: [*Insert Target Number of PSUs*], subject to adjustment as set forth in the Plan.

* * *

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THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS PERFORMANCE SHARE UNIT GRANT NOTICE, THE PERFORMANCE SHARE UNIT AGREEMENT (INCLUDING APPENDIX A) AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF PERFORMANCE SHARE UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS PERFORMANCE SHARE UNIT GRANT NOTICE, THE PERFORMANCE SHARE UNIT AGREEMENT (INCLUDING APPENDIX A) AND THE PLAN. THE PARTICIPANT'S RIGHTS UNDER THE PERFORMANCE SHARE UNIT GRANT NOTICE AND THE PERFORMANCE SHARE UNIT AGREEMENT (INCLUDING APPENDIX A) WILL LAPSE SIXTY (60) DAYS FROM THE DATE OF GRANT AND THE PERFORMANCE SHARE UNITS WILL BE FORFEITED ON SUCH DATE IF THE PARTICIPANT SHALL NOT HAVE ACCEPTED THIS PERFORMANCE SHARE UNIT GRANT NOTICE AND THE PERFORMANCE SHARE UNIT AGREEMENT BY SUCH DATE.

This Performance Share Unit Grant Notice may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

CATALENT, Inc. Participant

________________________________ ________________________________

By:

Title:

____

1 To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereof.

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PERFORMANCE SHARE UNIT AGREEMENT FOR NON-U.S. PARTICIPANTS
UNDER THE
CATALENT, INC.
2014 OMNIBUS INCENTIVE PLAN

Pursuant to the Performance Share Unit Grant Notice for Non-U.S. Participants (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Performance Share Unit Agreement for Non-U.S. Participants (the "Performance Share Unit Agreement"), including any special terms and conditions for the Participant's country set forth in Appendix A attached hereto (collectively, along with Exhibit A, this "Agreement"), and the Catalent, Inc. 2014 Omnibus Incentive Plan, as it may be amended from time to time (the "Plan"), Catalent, Inc. (the "Company") and the Participant agree as follows.

1. **Definitions**. Whenever the following terms are used in this Agreement, they shall have the meanings set forth below. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan or the Grant Notice, as applicable.

(a) Employment. The term "Employment" means the Participant's employment as an employee of the Company or any of its Affiliates or Subsidiaries.

(b) Restrictive Covenant Violation. The term "Restrictive Covenant Violation" shall mean the Participant's breach of the Restrictive Covenants set forth in Section 10 or any covenant regarding confidentiality, competitive activity, solicitation of the Company's or any of its Affiliates' or Subsidiaries' vendors, suppliers, customers or employees or any similar provision applicable to or agreed to by the Participant.

(c) Retirement. The term "Retirement" shall mean a Termination by the Participant that occurs on or after the date on which the Participant attains the age of sixty-five (65) and has completed at least ten (10) years of Employment (other than a Termination when grounds existed for a Termination for Cause at the time thereof).

(d) Termination Date. The term "Termination Date" shall mean the date upon which the Participant incurs a Termination for any reason.

2. **Grant of Performance Share Units**. Subject to the terms and conditions set forth herein, in the Grant Notice and in the Plan, for good and valuable consideration, the Company hereby grants to the Participant the Target Number of Performance Share Units (which are performance-based Restricted Stock Units for purposes of the Plan) provided in the Grant Notice (with each Performance Share Unit representing an unfunded, unsecured right to receive one share of Common Stock). The Company may make one or more additional grants of Performance Share Units to the Participant under this Agreement by providing the Participant with a new Grant Notice and new Exhibit A, to the extent applicable, which may also include any terms and conditions differing from this Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Performance Share Units hereunder and makes no implied promise to grant additional Performance Share Units.

3. **Vesting**. Subject to the conditions contained herein and in the Plan, the Performance Share Units shall vest as provided on Exhibit A or in Section 6 below. With respect to any Performance Share Unit, the period of time that such Performance Share Unit remains subject to vesting shall be its Restricted Period.

4. **Dividend Equivalents**. The Performance Share Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on shares of Common Stock. Such dividend equivalents will be provided in shares of Common Stock having a Fair Market Value equal to the amount of such applicable dividends, and shall be shall be payable at the same time as the Performance Share Units are settled in accordance with Section 5 below. In the event that any Performance Share Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of such forfeited Performance Share Units.

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5. **Settlement of Performance Share Units**. Upon expiration of the Restricted Period with respect to any outstanding Performance Share Units that have not previously been forfeited in accordance with Exhibit A or Section 6 below, the Company shall issue to the Participant as soon as practicable (but no later than March 15 of the year following the year in which the Restricted Period expires) one share of Common Stock for each Performance Share Unit and such Performance Share Unit shall be cancelled; *provided*, *however*, that the Committee may, in its sole discretion, elect to defer the issuance of such shares beyond the expiration of the Restricted Period if such extension would not cause adverse tax consequences under Section 409A of the Code.

6. **Treatment on Termination**.

(a) Subject to clauses (b) - (d) below, in the event of a Termination prior to the Regular Vesting Date, the CIC Vesting Date or the Time Vesting Date (each as defined on Exhibit A), as applicable, (i) all vesting with respect to the Participant's Performance Share Units shall cease and (ii) unvested Performance Share Units shall be forfeited to the Company by the Participant for no consideration as of the Termination Date.

(b) *Death*. If the Participant incurs a Termination due to death, the Target Number of Performance Share Units or the number of Converted PSUs (as defined on Exhibit A) to the extent applicable, shall, to the extent not then vested or previously forfeited or cancelled, become fully vested, the Restricted Period shall expire and any unvested Performance Share Units will immediately be forfeited to the Company by the Participant for no consideration.

(c) *Disability/Retirement*. If the Participant incurs a Termination due to Disability or Retirement, in each case, the number of Performance Share Units as determined in accordance with Exhibit A, to the extent applicable, shall, to the extent not then vested or previously forfeited or cancelled, continue to vest as provided on Exhibit A as if the Participant had continued Employment through the Regular Vesting Date, the CIC Vesting Date or the Time Vesting Date, as applicable, subject to the Participant's compliance with the restrictive covenants set forth in Section 10 and the Participant's execution, delivery and non-revocation of a waiver and release of claims in favor of the Company and its Affiliates and Subsidiaries in a form prescribed by the Company on or prior to the 60th day following the Termination Date; provided, however, in the case of a Termination due to Retirement, the number of Performance Share Units, if any, that shall vest, as determined in accordance with Exhibit A shall be multiplied by a fraction, the numerator of which is equal to the number of days between and including the first day of the Performance Period and the date the Participant incurs a Termination due to Retirement and the denominator of which is 1095. Upon the Regular Vesting Date, the CIC Vesting Date or the Time Vesting Date, as applicable, the Restricted Period shall expire and any unvested Performance Share Units will immediately be forfeited to the Company by the Participant for no consideration.

Notwithstanding the above, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in the Participant's jurisdiction that would cause the continued vesting of the Performance Share Units after Termination due to Retirement being deemed unlawful and/or discriminatory, the unvested Performance Share Units shall be treated as set forth in the remaining provisions of this Section 6.

(d) *Change in Control*. In the event of a Change in Control, to the extent the acquiring or successor entity assumes, continues or substitutes for the Performance Share Units as provided for and described on Exhibit A hereto, if the Participant incurs a Termination by the Service Recipient without Cause (other than due to death or Disability) during the period commencing on the date of the consummation of a Change in Control and ending on the date that is eighteen (18) months following the consummation of such Change in Control, the number of Converted PSUs shall, to the extent not then vested or previously forfeited or cancelled, become fully vested, the Restricted Period shall expire and any unvested Performance Share Units will immediately be forfeited to the Company by the Participant for no consideration.

7. **Non-Transferability**. The Performance Share Units are not transferable by the Participant except to Permitted Transferees in accordance with Section 14(b) of the Plan. Whenever the word "Participant" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to executors, the administrators or the person or persons to whom the Performance Share Units may be transferred by

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will or by the laws of descent and distribution in accordance with Section 14 of the Plan, the word "Participant" shall be deemed to include such person or persons. Except as otherwise provided herein, no assignment or transfer of the Performance Share Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Performance Share Units shall terminate and become of no further effect.

8. **Rights as Stockholder**. Except as otherwise expressly provided for herein, the Participant or a Permitted Transferee of the Performance Share Units shall have no rights as a stockholder with respect to any share of Common Stock underlying a Performance Share Unit unless and until the Participant shall have become the holder of record or the beneficial owner of such Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

9. **Repayment of Proceeds; Clawback Policy**. If a Restrictive Covenant Violation occurs or the Company discovers after a Termination that grounds existed for Cause at the time thereof, then the Participant shall be required, in addition to any other remedy available (on a non-exclusive basis), to pay to the Company, within ten (10) business days of the Company's request to the Participant therefor, an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the Participant received upon the sale or other disposition of, or distributions in respect of, the Performance Share Units and any shares issued in respect thereof. Any reference in this Agreement to grounds existing for a Termination for Cause shall be determined without regard to any notice period, cure period, or other procedural delay or event required prior to finding of or termination with, Cause. The Performance Share Units and all proceeds thereof shall be subject to the Company's Clawback Policy, as in effect from time to time, to the extent the Participant is a director or "officer" as defined under Rule 16a-1(f) of the Exchange Act.

10. **Restrictive Covenants**.

(a) To the extent that the Participant is a party to an employment or similar agreement with the Company or one of its Affiliates or Subsidiaries containing non-competition, non-solicitation, non-interference or confidentiality restrictions (or two or more such restrictions), those restrictions and related enforcement provisions under such agreement shall govern and the following provisions of this Section 10 shall not apply.

(b) *Competitive Activity*

(i) The Participant shall be deemed to have engaged in "Competitive Activity" if, during the period commencing on the Date of Grant and ending on the date that is 12 months after the Termination Date (the "Restricted Activity Period"), the Participant, whether on the Participant's own behalf or on behalf of or in conjunction with any other Person (as defined below), directly or indirectly, violates any of the following prohibitions:

(I) During the Restricted Activity Period, the Participant will not, whether on the Participant's own behalf or on behalf of or in conjunction with any person, firm, part-nership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever ("Person"), directly or indirectly, solicit or assist in soliciting in competition with the Company or any of its Subsidiaries, the business of any client or prospective client:

(1) with whom the Participant had personal contact or dealings on behalf of the Company or any of its Subsidiaries during the one year period preceding the Termination Date;

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(2) with whom employees reporting to the Participant have had personal contact or dealings on behalf of the Company or any of its Subsidiaries during the one year immediately preceding the Termination Date; or

(3) for whom the Participant had direct or indirect responsibility during the one year immediately preceding the Termination Date.

(II) During the Restricted Activity Period, the Participant will not directly or indirectly:

(1) engage in any business that competes with the business of the Company or any of its Subsidiaries, including, but not limited to, providing formulation/dose form technologies and/or contract services to pharmaceutical, biotechnology, over-the-counter and vitamin/mineral supplements companies related to pre-clinical and clinical development, formulation, analysis, manufacturing and/or packaging and any other technology, product or service of the type developed, manufactured or sold by the Company or any of its Subsidiaries (including, without limitation, any other business which the Company or any of its Subsidiaries have plans to engage in as of the Termination Date) in any geographical area where the Company or any of its Subsidiaries conduct business (a "Competitive Business");

(2) enter the employ of, or render any services to, any Person (or any division or controlled or controlling Affiliate of any Person) who or which engages in a Competitive Business;

(3) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(4) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the Date of Grant) between the Company or any of its Subsidiaries and customers, clients, suppliers, or investors of the Company or any of its Subsidiaries.

Notwithstanding anything to the contrary in this Agreement, the Participant may, directly or indirectly own, solely as an investment, securities of any entity engaged in the business of the Company or any of its Subsidiaries which are publicly traded on a national or regional stock exchange or on the over-the-counter market if the Participant (i) is not a controlling person of, or a member of a group which controls, such Person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(III) During the Restricted Activity Period, the Participant will not, whether on the Participant's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(1) solicit or encourage any employee of the Company or any of its Subsidiaries to leave the employment of the Company or any of its Subsidiaries; or

(2) hire any such employee who was employed by the Company or any of its Subsidiaries as of the Termination Date or who left the employment of the Company or any of its Subsidiaries coincident with, or within six (6) months prior to or after, the Termination Date; provided, however, that this restriction shall cease to apply to any employee who has not been employed by the Company or any of its Subsidiaries for at least six (6) months.

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(IV) During the Restricted Activity Period, the Participant will not, directly or indirectly, solicit or encourage to cease to work with the Company or any of its Subsidiaries any consultant then under contract with the Company or any of its Subsidiaries.

(ii) It is expressly understood and agreed that although the Participant and the Company consider the restrictions contained in this Section 10(b) to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against the Participant, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) *Confidentiality*

(i) The Participant will not at any time (whether during or after the Participant's Employment) (x) retain or use for the benefit, purposes or account of the Participant or any other Person; or (y) disclose, divulge, reveal, communicate, share, transfer or provide access to any person outside the Company and its Affiliates and Subsidiaries (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information --including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals -- concerning the past, current or future business, activities and operations of the Company, its Subsidiaries or Affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

(ii) "Confidential Information" shall not include any information that is (x) generally known to the industry or the public other than as a result of the Participant's breach of this covenant or any breach of other confidentiality obligations by third parties; (y) made legitimately available to the Participant by a third party without breach of any known confidentiality obligation; or (z) required by law to be disclosed or in any judicial or administrative process; provided that the Participant shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate, at the Company's cost, with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Except as required by law, the Participant will not disclose to anyone, other than the Participant's immediate family and legal or financial or tax advisors or lender, each of whom the Participant agrees to instruct not to disclose, the existence or contents of this Agreement (unless this Agreement shall be publicly available as a result of a regulatory filing made by the Company or one of its Affiliates or Subsidiaries); provided, that the Participant may disclose to any prospective future employer the provisions of Section 10 of this Agreement provided they agree to maintain the confidentiality of such terms.

(iv) Upon Termination, the Participant shall (x) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its Subsidiaries or Affiliates; (y) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in the Participant's possession or control (including any of the foregoing stored or located in the Participant's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company or one of its Affiliates or Subsidiaries, except that the Participant may retain only those portions of any personal notes,

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notebooks and diaries that do not contain any Confidential Information; and (z) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which the Participant is or becomes aware.

(d) *Equitable Relief.*

Notwithstanding the remedies set forth in Section 9 above and notwithstanding any other remedy which would otherwise be available to the Company at law or in equity, the Company and the Participant agree and acknowledge that if an actual or threatened Restrictive Covenant Violation occurs, the Company will be entitled to an injunction and/or other equitable relief restraining the Participant from the Restrictive Covenant Violation without the necessity of posting a bond or proving actual damages.

11. **Tax Withholding**.

(a) *Responsibility for Taxes*. The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Service Recipient, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. The Participant further acknowledges that the Company and/or the Service Recipient (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Units, including, but not limited to, the grant, vesting or settlement of the Performance Share Units, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Share Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) *Satisfaction of Withholding Obligations*. Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Service Recipient to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Service Recipient, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by any of the means described in Section 14(d) of the Plan or by such other means or method as the Committee in its sole discretion and without notice to the Participant deems appropriate.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Participant is deemed to have been issued the full number of shares of Common Stock subject to the vested Performance Share Units, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, the Participant agrees to pay to the Company or the Service Recipient any amount of Tax-Related Items that the Company or the Service Recipient may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

12. **Notice**. Every notice or other communication relating to this Agreement between the Company and the Participant shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; *provided* that, unless and until some other address be so designated, all notices or communications by the

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Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

13. **No Right to Continued Employment**. Neither the Plan nor this Agreement nor the granting of the Performance Share Units evidenced hereby shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship to, the Company or any of its Affiliates or Subsidiaries. Further, the Company, or, if different, the Service Recipient, may at any time dismiss the Participant or discontinue any consulting relationship, free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

14. **Nature of Grant**. In accepting the grant of the Performance Share Units, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Performance Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Share Units, or benefits in lieu of Performance Share Units, even if Performance Share Units have been granted in the past;

(c) all decisions with respect to future Performance Share Units or other grants, if any, will be at the sole discretion of the Company;

(d) the Performance Share Unit grant and the Participant's participation in the Plan shall not be interpreted as forming an employment or service contract with the Company, or any Affiliate or Subsidiary;

(e) the Participant is voluntarily participating in the Plan;

(f) the Performance Share Units and the shares of Common Stock subject to the Performance Share Units, and the income and value of same, are not intended to replace any pension rights or compensation;

(g) the Performance Share Units and the shares of Common Stock subject to the Performance Share Units, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance Share Units resulting from a Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Performance Share Units to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company, any of its Affiliates or Subsidiaries, waives the Participant's ability, if any, to bring any such claim, and releases the Company, its Affiliates and Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be

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deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Performance Share Units and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Share Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock of the Company; and

(m) the Participant acknowledges and agrees that neither the Company, nor any Affiliate or Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Performance Share Units or of any amounts due to the Participant pursuant to the settlement of the Performance Share Units or the subsequent sale of any shares of Common Stock acquired upon settlement.

15. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying shares of Common Stock. The Participant is hereby advised to consult with the Participant's own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

16. ***Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Performance Share Unit grant materials by and among, as applicable, the Service Recipient, the Company and its other Affiliates or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.***

The Participant understands that the Company and the Service Recipient may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Performance Share Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Morgan Stanley Smith Barney LLC, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Morgan Stanley Smith Barney LLC and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's Employment and career with the Service Recipient will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Performance Share Units or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the

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Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.

17. **Binding Effect**. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

18. **Waiver and Amendments**. Subject to Section 13(b) of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement, prospectively or retroactively (including after the Participant's Termination); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Participant hereunder shall not to that extent be effective without the consent of the Participant. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

19. **Governing Law; Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New Jersey, agree that such litigation shall be conducted in the courts of Somerset County, or the federal courts for the United States for the District of New Jersey, where this grant is made and/or to be performed.

20. **Plan**. The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

21. **Language**. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

22. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

23. **Imposition of Other Requirements**. The Company reserves the right to impose any other requirements on the Participant's participation in the Plan, on the Performance Share Units and on any shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. **Section 409A of the Code**. The Performance Share Units are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Committee determines that the Performance Share Units (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify the Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for

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the Performance Share Units to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

25. **Appendix.** Notwithstanding any provisions in this Agreement, the Performance Share Unit grant shall be subject to any special terms and conditions set forth in Appendix A to this Performance Share Unit Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Appendix A, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A constitutes part of this Performance Share Unit Agreement.

26. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., Performance Share Units) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and is advised to consult his or her personal legal advisor on this matter.

27. **Entire Agreement**. This Agreement, the Grant Notice and the Plan constitute the entire understanding between the Participant and the Company regarding the Performance Share Units. This Agreement, the Grant Notice and the Plan supersede any prior agreements, commitments or negotiations concerning the Performance Share Units.

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Exhibit A

1. **Vesting/Change in Control**. Except as otherwise expressly provided in Section 6 of the Performance Share Unit Agreement, provided the Participant has not incurred a Termination on or prior to the Regular Vesting Date (as defined below), the Performance Share Units granted hereunder shall vest upon the date on which the Committee determines the cumulative Revenue (as defined below) growth during the Performance Period and the cumulative EBITDA (as defined below) growth during the Performance Period, in each case, as of the last day of the Performance Period, which determination shall be made no later than the seventy-fifth (75th) day following the end of the Performance Period (the "Regular Vesting Date") and in an amount, if any, equal to the product of (1) the Target Number of Performance Share Units and (2) the Cumulative Performance Percentage (as defined and described below). Upon the Regular Vesting Date, the Restricted Period shall expire and any vested Performance Share Units shall be settled in accordance with Section 5 of the Performance Share Unit Agreement. Any Performance Share Units that do not become vested in accordance with this Exhibit A (to the extent not previously forfeited pursuant to Section 6 of the Performance Share Unit Agreement) shall, effective as of the Regular Vesting Date, be forfeited by the Participant without consideration.

Notwithstanding the foregoing:

(i) in the event of a Change in Control on or prior to July 1, 2015, to the extent the acquiring or successor entity does not assume, continue or substitute for the Performance Share Units, the Target Number of Performance Share Units, to the extent not then vested or previously forfeited or cancelled, shall become fully vested and on such date the Restricted Period shall expire (the date of such vesting and expiration, the "CIC Vesting Date");

(ii) in the event of a Change in Control after July 1, 2015 but prior to the end of the Performance Period, to the extent the acquiring or successor entity does not assume, continue or substitute for the Performance Share Units, a number of Performance Share Units equal to the number that would have vested based on the Cumulative Performance Percentage measured as of the last day of the fiscal year immediately preceding the date of the Change in Control (such day, the "End Date") based on actual growth between July 1, 2014 through and including the End Date, measuring cumulative growth as of the End Date, to the extent not then vested or previously forfeited or cancelled, shall become fully vested and the Restricted Period with respect to such Performance Share Units shall expire on the CIC Vesting Date;

(iii) in the event of a Change in Control on or prior to July 1, 2015, to the extent the acquiring or successor entity assumes, continues or substitutes for the Performance Share Units, in lieu of the vesting schedule in the first paragraph above, the Target Number of Performance Share Units will be subject to the following vesting schedule: provided the Participant has not incurred a Termination prior to the Time Vesting Date (as defined below), such Performance Share Units shall vest on June 30, 2017 (the "Time Vesting Date") and, on the Time Vesting Date, the Restricted Period with respect to such Converted PSUs (as defined below) shall expire; and

(iv) in the event of a Change in Control after July 1, 2015, to the extent the acquiring or successor entity assumes, continues or substitutes for the Performance Share Units, in lieu of the vesting schedule in the first paragraph above, a number of Performance Share Units equal to the number that would have vested based on the Cumulative Performance Percentage measured as of the End Date based on actual growth between [ ] through and including the End Date, measuring cumulative growth as of the End Date, will be subject to the following vesting schedule: provided the Participant has not incurred a Termination prior to the Time Vesting Date, such Performance Share Units shall vest on the Time Vesting Date and, on the Time Vesting Date, the Restricted Period with respect to such Converted PSUs shall expire.

Any Performance Share Units that do not vest or become Converted PSUs, as applicable, shall immediately be forfeited without any further action by the Company or the Participant and without any payment of consideration therefor.

For purposes of this Exhibit A and the Performance Share Unit Agreement, the term "Converted PSUs" shall mean those Performance Share Units that result from conversion pursuant to clause (iii) or clause (iv) above.

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2. **Cumulative Performance Percentage**. A number of Performance Share Units granted hereunder shall vest, if at all, based on the Cumulative Performance Percentage which is based on the cumulative Revenue (as defined below) growth during the Performance Period and the cumulative EBITDA (as defined below) growth during the Performance Period, determined as of the last day of the Performance Period in accordance with this Section 2.

For purposes of this Exhibit A:

"**Revenue**" shall mean net revenue as presented in the Company's annual Securities and Exchange Commission filings but will be adjusted to [ ] fiscal year average foreign exchange rates. Future performance will be translated at constant foreign exchange rates in order to gauge performance against revenue goals in consideration of foreign currency fluctuations, which may occur. Revenue targets may also be adjusted during the Performance Period for any unusual items as defined and interpreted by the Committee including, but not limited to acquisitions and divestitures.

"**EBITDA**" shall mean the Company's internally adjusted EBITDA which is generally calculated in the same manner as Adjusted EBITDA is calculated for purposes of the Company's indentures governing its notes and its credit agreement governing its senior unsecured term loan facility, except for the impact of foreign exchange and other non-operational matters. EBITDA is based on [ ] fiscal year average foreign exchange rates and future performance will be translated at constant foreign exchange rates in order to gauge performance against EBITDA goals in consideration of foreign currency fluctuations, which may occur. EBITDA targets may also be adjusted during the Performance Period for any unusual items as defined and interpreted by the Committee including, but not limited to acquisitions and divestitures.

The Cumulative Performance Percentage shall be equal to the sum of twenty-five percent (25%) of the Revenue Performance Percentage and seventy-five percent (75%) of the EBITDA Performance Percentage as outlined and determined below.

Cumulative Revenue Growth (during the Performance Period expressed as a percentage assuming the starting point for Revenue growth is $ million)	**Revenue Performance Percentage**
%- %	%
%	%
%	%
%	%
%	%
%	%
%+	%

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Cumulative EBITDA Growth (during the Performance Period expressed as a percentage assuming the starting point for EBITDA growth is $ million)	**EBITDA Performance Percentage**
%- %	%
%	%
%	%
%	%
%	%
%	%
%	%
%+	%

Cumulative Performance Percentage

(the Revenue and EBITDA dollar amounts reflected below assume the full Performance Period runs and such amounts reflect Revenue and EBITDA for the 20[ ], 20[ ] and 20[ ] fiscal years, in the aggregate)

		Cumulative EBITDA (75%) (in millions)				
		$	**$**	**$**	**$**	**$**
Cumulative Revenue (25%) (in millions)	**$**	%	%	%	%	%
	$	%	%	%	%	%
	$	%	%	%	%	%
	$	%	%	%	%	%
	$	%	%	%	%	%

The Revenue Performance Percentage, EBITDA Performance Percentage and Cumulative Performance Percentage shall each be a linear interpolation for any achievement that falls between the above targets, provided that there shall be no linear interpolation if the cumulative Revenue growth increases on average by less than [ ]% as of the last day of the Performance Period and/or the cumulative EBITDA growth increases on average by less than [ ]% as of the last day of the Performance Period. The maximum possible payout is [ ] percent ([ ]%) of the Target Number of Performance Share Units if cumulative Revenue growth increases on average by at least [ ] percent ([ ]%) as of the last day of the Performance Period and cumulative EBITDA growth increases on average by at least [ ] percent ([ ]%) as of the last day of the Performance Period.

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APPENDIX A

**PERFORMANCE SHARE UNIT AGREEMENT FOR NON-U.S. PARTICIPANTS
UNDER THE
CATALENT, INC.
2014 OMNIBUS INCENTIVE PLAN**

COUNTRY-SPECIFIC TERMS AND CONDITIONS

All capitalized terms used in this Appendix A that are not defined herein have the meanings defined in the Plan or the Performance Share Unit Agreement for Non-U.S. Participants (the "Performance Share Unit Agreement"). This Appendix A constitutes part of the Performance Share Unit Agreement.

Terms and Conditions

This Appendix A includes additional or different terms and conditions that govern the Performance Share Units if the Participant works or resides in one of the countries listed below. The Participant understands that if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, transfers Employment and/or residency after the Date of Grant or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to the Participant.

Notifications

This Appendix A also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2014. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Appendix A as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Performance Share Units vest or at the time the Participant sells the shares of Common Stock.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, transfers Employment and/or residency after the Date of Grant or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant.

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ARGENTINA

Notifications

Securities Law Information. Neither the Performance Share Units nor the underlying shares of Common Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. If the Participant transfers proceeds from the sale of shares of Common Stock or the receipt of any dividends paid on such shares into Argentina within 10 days of sale/receipt (*i.e.*, if the proceeds have not been held in a U.S. bank or brokerage account for at least 10 days prior to transfer), the Participant must deposit 30% of the proceeds into a non-interest bearing account in Argentina for 365 days. If the Participant has satisfied the 10 day holding obligation, the Argentine bank handling the transaction may still request certain documentation in connection with the Participant's request to transfer proceeds into Argentina, including evidence of the sale and proof of the source of funds used to purchase the shares of Common Stock. If the bank determines that the 10-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it will require that 30% of the transfer amount be placed in a non-interest bearing dollar denominated mandatory deposit account for a holding period of 365 days.

The Participant must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the vesting of the Performance Share Units and the subsequent sale of any shares of Common Stock acquired at vesting and the receipt of any dividends.

Please note that exchange control regulations in Argentina are subject to frequent change. *The Participant should consult with his or her personal legal advisor regarding any exchange control obligations the Participant may have in connection with the Participant's participation in the Plan.*

Foreign Asset/Account Reporting Information. The Participant must report any shares of Common Stock acquired under the Plan and held by the Participant on December 31st of each year on the Participant's annual tax return for that year. *The Participant is strongly advised to consult the Participant's personal tax advisor to ensure compliance with this tax reporting obligation.*

AUSTRALIA

Terms and Conditions

Vesting. The following provisions supplement the Performance Share Unit Grant Notice and Sections 3 and 6 and Exhibit A of the Performance Share Unit Agreement:

Notwithstanding Section 6(c) of the Performance Share Unit Agreement, if the Participant incurs a Termination due to Disability or Retirement, the Target Number of Performance Share Units shall, to the extent not then vested or previously forfeited or cancelled, become fully vested and the Restricted Period shall expire.

Data Privacy. The following provisions supplement Section 16 of the Performance Share Unit Agreement:

The Company can be contacted at 14 Schoolhouse Rd, Somerset, NJ 08873. The Service Recipient can be contacted at Catalent Australia Pty. Ltd., 217-221 Governor Road, Braeside, Victoria, Australia 3195.

The Participant's personal information will be held in accordance with the Service Recipient's privacy policy, a copy of which can be obtained by contacting the Service Recipient at the address indicated above. The Service Recipient's privacy policy contains, among other things, details of how the Participant can access and seek correction of personal

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information held in connection with this Performance Share Units, how the Participant can complain about a breach of the Australian Privacy Principles and how the Service Recipient will deal with such a complaint.

The Participant understands and agrees that Data may be transferred to recipients located outside of Australia, including the United States and any other country where the Company has operations.

Notifications

Securities Law Information. If the Participant acquires shares of Common Stock pursuant to the Performance Share Units and offers the shares of Common Stock for sale to a person or entity resident in Australia, such offer may be subject to disclosure requirements under Australian law. *The Participant should obtain legal advice as to his or her disclosure obligations prior to making any such offer.*

Exchange Control Information. The Participant is responsible for reporting cash transactions inbound (*e.g.*, the remittance of cash proceeds received upon sale of shares of Common Stock) exceeding A$10,000 and for inbound international fund transfers of any value, which do not involve an Australian bank.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. The Participant is required to report any security or bank account (including a brokerage account) opened and maintained outside Belgium on his or her annual tax return.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Performance Share Units, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items associated with the Performance Share Units, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

Notifications

Exchange Control Information. If the Participant is resident or domiciled in Brazil, the Participant will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US$100,000. Assets and rights that must be reported include shares of Common Stock acquired under the Plan.

CHINA

Terms and Conditions

The following terms and conditions will be applicable to the Participant to the extent that the Company, in its discretion, determines that the Participant's participation in the Plan will be subject to exchange control restrictions in the People's Republic of China ("PRC"), as implemented by the PRC State Administration of Foreign Exchange ("SAFE").

Vesting. The following provisions supplement the Performance Share Unit Grant Notice and Sections 3 and 6 and Exhibit A of the Performance Share Unit Agreement:

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Notwithstanding anything to the contrary in the Performance Share Unit Agreement, the Performance Share Units shall not vest and no shares of Common Stock will be issued to the Participant unless and until all necessary exchange control or other approvals with respect to the Performance Share Units under the Plan have been obtained from SAFE or its local counterpart ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any date(s) on which the Performance Share Units are scheduled to vest in accordance with the Vesting Schedule set forth on Exhibit A, the Performance Share Units will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant incurs a Termination prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the Performance Share Units and the Performance Share Units shall be forfeited without any liability to the Company or its Affiliates.

Notwithstanding Section 6(c) of the Performance Share Unit Agreement, if the Participant incurs a Termination due to Disability or Retirement on or after the Actual Vesting Date, the Target Number of Performance Share Units shall, to the extent not then vested or previously forfeited or cancelled, become fully vested and the Restricted Period shall expire.

Settlement of Performance Share Units and Sale of Shares. Notwithstanding anything to the contrary in the Plan or the Performance Share Unit Agreement, due to PRC exchange control restrictions the Participant agrees that any shares of Common Stock acquired at settlement of the Performance Share Units may be immediately sold at settlement or, at the Company's discretion, at a later time (including when the Participant terminates Employment for any reason). If, however, the sale of the shares of Common Stock is not permissible under the Company's insider trading policy, the Company retains the discretion to postpone the issuance of the shares of Common Stock subject to the vested Performance Share Units until such time that the sale is again permissible and to then immediately sell the shares of Common Stock subject to the Performance Share Units. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of the shares of Common Stock (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes such broker to complete the sale of such shares of Common Stock. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of shares of Common Stock at any particular price. Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to the Participant in accordance with applicable exchange control laws and regulations and provided any liability for Tax-Related Items has been satisfied. Due to fluctuations in the share price and/or the United States Dollar exchange rate between the settlement date and (if later) the date on which the shares of Common Stock are sold, the sale proceeds may be more or less than the market value of the shares of Common Stock on the settlement date (which is the amount relevant to determining the Participant's tax liability). The Participant understands and agrees that the Company is not responsible for the amount of any loss the Participant may incur and that the Company assumes no liability for any fluctuation in the share price and/or United States Dollar exchange rate.

Exchange Control Restrictions. The Participant understands and agrees that he or she will be required to immediately repatriate to China the proceeds from the sale of any shares of Common Stock acquired under the Plan or from any cash dividends paid or such shares. The Participant further understands that such repatriation of the proceeds may need to be effected through a special exchange control account established by the Company or any Affiliate or Subsidiary, and the Participant hereby consents and agrees that the proceeds may be transferred to such account by the Company (or its designated broker) on the Participant's behalf prior to being delivered to the Participant. The Participant also agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the Company's designated broker) to effectuate such transfers.

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The proceeds may be paid to the Participant in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to the Participant in U.S. dollars, the Participant understands that he or she will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid to the Participant in local currency, (i) the Participant acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the proceeds to local currency due to exchange control restrictions, and (ii) the Participant agrees to bear any currency fluctuation risk between the time the shares of Common Stock are sold or dividends are paid and the time the proceeds are converted to local currency and distributed to the Participant. The Participant agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Notifications

Foreign Asset/Account Reporting Information. Effective from January 1, 2014, PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these rules, the Participant may be subject to reporting obligations for the Performance Share Units and/or the shares of Common Stock acquired under the Plan and any Plan-related transactions. *The Participant should consult his or her personal legal advisor regarding the details of this reporting obligation.*

FRANCE

Terms and Conditions

Type of Performance Share Units. The Performance Share Units are not granted as "French-qualified" awards and are not intended to qualify for the special tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-197 to L. 225-197-6 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting the Performance Share Units, the Participant confirms having read and understood the documents related to the Performance Share Units (the Plan and the Agreement) which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Consentement Relatif à l'Utilisation de la Langue Anglaise. *En acceptant l'Attribution, le Participant confirme avoir lu et compris les documents relatifs à cette Attribution (le Plan et le Contrat d'Attribution) qui ont été remis en langue anglaise. Le Participant accepte les termes de ces documents en conséquence.*

Notifications

Foreign Asset/Account Reporting Information. The Participant is required to report all foreign accounts (whether open, current or closed) to the French tax authorities when filing his or her annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported electronically to the German Federal Bank (*Bundesbank*). In the case of payments made or received in connection with securities (including proceeds realized upon the sale of shares of Common Stock), the report must be made by the 5th day of the month following the month in which the payment was made or received. The form of the report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English. The Participant understands that if the Participant makes or receives a payment in excess of this amount, the Participant is responsible for complying with applicable reporting requirements.

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ITALY

Terms and Conditions

Data Privacy. This provision replaces Section 16 of the Performance Share Unit Agreement:

The Participant understands that the Service Recipient, the Company and any other Affiliate and Subsidiary may hold certain personal information about the Participant, including, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of the Performance Share Units or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Personal Data") and will process such data for the exclusive purpose of implementing, managing and administering the Plan.

The Participant also understands that providing the Company with Personal Data is mandatory for compliance with local law and necessary for the performance of the Plan and that the Participant's refusal to provide such Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Controllers of personal data processing are Catalent, Inc., 14 Schoolhouse Road, Somerset, NJ 08873, and Catalent Italy, SpA, Via Nettunense KM 20, 100 04011 Aprilia (LT), Italy, which is also the Company's representative in Italy for privacy purposes pursuant to Legislative Decree no 196/2003.

The Participant understands that Personal Data will not be publicized, but it may be accessible by the Service Recipient and its internal and external personnel in charge of processing of such Personal Data and by the Personal Data Processor (the "Processor"), if any. An updated list of Processors and other transferees of Personal Data is available upon request from the Service Recipient. Furthermore, Personal Data may be transferred to Morgan Stanley Smith Barney LLC, Service Recipient and any banks, other financial institutions or brokers involved in the management and administration of the Plan. The Participant understands that the Company and/or its Affiliates and Subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and that the Company and/or its Affiliates and Subsidiaries may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer to Morgan Stanley Smith Barney LLC or another third party with whom the Participant may elect to deposit any shares of Common Stock acquired under the Plan. Such recipients may receive, possess, use, retain and transfer the Personal Data in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that these recipients may be located in or outside the European Economic Area in such countries as in the United States that may not provide the same level of protection as intended under Italian data privacy laws. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete the Participant's Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of the Participant's Personal Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration and management of the Plan. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, the Participant has the right to, including but not limited to,

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access, delete, update, ask for rectification of the Participant's Personal Data and estop, for legitimate reason, the Personal Data processing.

Furthermore, the Participant is aware that the Participant's Personal Data will not be used for direct marketing purposes. In addition, the Personal Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's human resources department.

Plan Document Acknowledgement. By accepting the Performance Share Units, the Participant acknowledges that (a) the Participant has received the Plan and the Agreement; (b) the Participant has reviewed those documents in their entirety and fully understands the contents thereof; and (c) the Participant accepts all provisions of the Plan and the Agreement. The Participant further acknowledges that the Participant has read and specifically and expressly approves, without limitation, the following sections of the Performance Share Unit Agreement: "Treatment on Termination"; "Non-Transferability"; "Repayment of Proceeds; Clawback Policy"; "Restrictive Covenants"; "Tax Withholding"; "No Right to Continued Employment"; "Nature of Grant"; "No Advice Regarding Grant"; "Data Privacy" as replaced by the above provision; "Waiver and Amendments"; "Governing Law; Venue"; "Electronic Delivery and Acceptance"; "Imposition of Other Requirements"; and "Appendix."

Notifications

Foreign Asset/Account Reporting Information. If, at any time during the fiscal year, the Participant holds foreign financial assets (including cash and/or shares of Common Stock) which may generate income taxable in Italy, the Participant is required to report these assets on his or her annual tax return (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to the Participant if the Participant is the beneficial owner of foreign financial assets under Italian money laundering provisions.

Foreign Asset Tax Information. The value of the financial assets held outside of Italy by Italian residents is subject to a foreign asset tax. Beginning in 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (*e.g.*, shares of Common Stock) assessed at the end of the calendar year. The Participant is responsible for complying with any reporting and/or payment obligations that may arise in connection with this tax.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. If the Participant holds assets (*e.g.*, shares of Common Stock acquired under the Plan, proceeds from the sale of shares of Common Stock and, possibly, Performance Share Units) outside of Japan with a value exceeding ¥50 million as of December 31 of any calendar year, the Participant is required to report such to the Japanese tax authorities by March 15th of the following year. *The Participant should consult with his or her personal tax advisor regarding the details of this reporting obligation.*

SINGAPORE

Notifications

Securities Law Information. The Performance Share Units are granted pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Performance Share Units are subject to section 257 of the SFA and the Participant will not be able to make (i) any subsequent sale of the shares of Common Stock in Singapore or (ii) any offer of such subsequent sale of the shares of Common Stock in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1

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Subdivision (4) (other than section 280) of the SFA.

Director Notification Requirement. Directors, associate directors and shadow directors[2] of a Singaporean Affiliate or Subsidiary are subject to certain notification requirements under the Singapore Companies Act and must notify the Singaporean Affiliate or Subsidiary in writing of an interest (*e.g.*, Performance Share Units, shares of Common Stock, etc.) in the Company or any related companies within two business days of (i) its acquisition or disposal, (ii) any change in a previously disclosed interest (*e.g.*, when the shares of Common Stock are sold), or (iii) becoming a director (if such an interest exists at the time).

SWITZERLAND

Notifications

Securities Law Information. The offer of the Performance Share Units is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland.

UNITED KINGDOM

Terms and Conditions

Form of Settlement. Notwithstanding any discretion contained in the Plan or anything to the contrary in the Performance Share Unit Agreement, the Performance Share Units are payable in shares of Common Stock only.

Tax Withholding. The following provisions supplement Section 11 of the Performance Share Unit Agreement:

If payment or withholding of the income tax due in connection with the Performance Share Units is not made within ninety (90) days of the end of the tax year in which the taxable event occurs or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), the amount of any uncollected income tax shall constitute a loan owed by the Participant to the Service Recipient, effective on the Due Date. The Participant agrees that the loan will bear interest at the official rate of Her Majesty's Revenue and Customs ("HMRC") and will be immediately due and repayable by the Participant, and the Company and/or the Service Recipient may recover it at any time thereafter by any of the means referred to in Section 11 of the Performance Share Unit Agreement.

Notwithstanding the foregoing, if the Participant is an executive officer or director of the Company (within the meaning of Section 13(k) of the Exchange Act), the Participant shall not be eligible for a loan to cover the income tax due as described above. Instead, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions may be payable. The Participant acknowledges that the Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Service Recipient (as applicable) for the value of any employee National Insurance contributions due on this additional benefit. The Participant further acknowledges that the Company or the Service Recipient may recover such amounts from the Participant by any of the means referred to in Section 11 of the Performance Share Unit Agreement.

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2 A shadow director is an individual who is not on the board of directors of a company but who has sufficient control so that the board of directors acts in accordance with the "directions or instructions" of the individual.

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Joint Election. As a condition of the Participant's participation in the Plan, the Participant agrees to accept any liability for secondary Class 1 National Insurance contributions which may be payable by the Company and/or the Service Recipient in connection with the Performance Share Units and any event giving rise to Tax-Related Items (the "Service Recipient's Liability"). Without limitation to the foregoing, the Participant agrees to execute the following joint election with the Company (the "Joint Election"), the form of such Joint Election being formally approved by HMRC, and to execute any other consents or elections required to accomplish the transfer of the Service Recipient's Liability to the Participant. The Participant further agrees to execute such other joint elections as may be required between the Participant and any successor to the Company and/or the Service Recipient. The Participant further agrees that the Company and/or the Service Recipient may collect the Service Recipient's Liability from him or her by any of the means set forth in Section 11 of the Performance Share Unit Agreement.

If the Participant does not enter into the Joint Election prior to the vesting of the Performance Share Units or any other event giving rise to Tax-Related Items, he or she will not be entitled to vest in the Performance Share Units or receive any benefit in connection with the Performance Share Units unless and until he or she enters into the Joint Election and no shares of Common Stock or other benefit pursuant to the Performance Share Units will be issued to the Participant under the Plan, without any liability to the Company and/or the Service Recipient.

URUGUAY

There are no country-specific provisions.

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ATTACHMENT TO APPENDIX FOR THE UNITED KINGDOM

Important Note on the Joint Election to Transfer
Service Recipient National Insurance Contributions

As a condition of participation in the Catalent, Inc. 2014 Omnibus Incentive Plan (the "Plan") and the Performance Share Units that have been granted to you (the "Participant") by Catalent, Inc. (the "Company"), the Participant is required to enter into a joint election to transfer to the Participant any liability for employer National Insurance contributions (the "Service Recipient's Liability") that may arise in connection with the Performance Share Units or in connection with any future Performance Share Units that may be granted by the Company to the Participant under the Plan (the "Joint Election").

If the Participant does not agree to enter into the Joint Election, the Performance Share Units will be worthless as the Participant will not be able to vest in the Performance Share Units or receive any benefit in connection with the Performance Share Units.

By entering into the Joint Election:

1. **the Participant agrees that any Service Recipient's Liability that may arise in connection with or pursuant to the vesting of the Performance Share Units (or any performance share units granted to the Participant under the Plan) or the acquisition of shares of the Company's common stock or other taxable events in connection with the Performance Share Units (or any other performance share units granted under the Plan) will be transferred to the Participant;**

2. **the Participant authorises the Company and/or the Participant's employer to recover an amount sufficient to cover the Service Recipient's Liability by any method set forth in the Performance Share Unit Agreement and/or the Joint Election; and**

3. **the Participant acknowledges that even if he or she has accepted the Joint Election via the Company's online procedure, the Company or the Participant's employer may still require the Participant to sign a paper copy of the Joint Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Joint Election.**

By accepting the Performance Share Units through the Company's online acceptance procedure (or by signing the Performance Share Unit Agreement), the Participant is agreeing to be bound by the terms of the Joint Election.

Please read the terms of the Joint Election carefully before accepting the Performance Share Unit Agreement and the Joint Election.

Please print and keep a copy of the Joint Election for your records.

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CATALENT, INC.

2014 OMNIBUS Incentive Plan

(UK Employees)

Election To Transfer the Service Recipient's National Insurance Liability to the Employee

1. Parties

This Election is between:

(A) You, the individual who has gained access to this Election (the "Employee"), who is employed by one of the U.K. companies listed in the Schedule below (the "Service Recipient") and who is eligible to receive Performance Share Units ("Performance Share Units") granted by Catalent, Inc. pursuant to the terms and conditions of the 2014 Omnibus Incentive Plan (the "Plan"), and

(B) Catalent, Inc. of 14 Schoolhouse Road, Somerset, NJ 08873, United States of America (the "Company"), which may grant Performance Share Units under the Plan and is entering into this Form of Election on behalf of the Service Recipient .

2. Purpose of Election

2.1 This Election relates to Performance Share Units granted by the Company under the Plan on or after September __, 2014.

2.2 In this Election the following words and phrases have the following meanings:

"**Taxable Event**" means, in relation to the Performance Share Units:

(i) the acquisition of securities pursuant to the Performance Share Units (within section 477(3)(a) of ITEPA); and/or

(ii) the assignment or release of the Performance Share Units in return for consideration (within section 477(3)(b) of ITEPA); and/or

(iii) the receipt of a benefit in connection with the Performance Share Units, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA); and/or

(iv) post-acquisition charges relating to the Performance Share Units and/or shares acquired pursuant to the Performance Share Units (within section 427 of ITEPA); and/or

(v) post-acquisition charges relating to the Performance Share Units and/or shares acquired pursuant to the Performance Share Units (within section 439 of ITEPA).

"**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.

"**SSCBA**" means the Social Security Contributions and Benefits Act 1992.

2.3 This Election relates to the Service Recipient's secondary Class 1 National Insurance Contributions (the "**Service Recipient's Liability**") which may arise on the occurrence of a Taxable Event in respect of the Performance Share Units pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

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2.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

2.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

3. Election

The Employee and the Company jointly elect that the entire liability of the Service Recipient to pay the Service Recipient's Liability on the Taxable Event is hereby transferred to the Employee. The Employee understands that by signing the Performance Share Unit Agreement to accept the grant of the Performance Share Units he or she will become personally liable for the Service Recipient's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 to SSCBA.

4. Payment of the Service Recipient's Liability

4.1 The Employee hereby authorises the Company and/or the Service Recipient to collect the Service Recipient's Liability from the Employee at any time after the Taxable Event:

(i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Taxable Event; and/or

(ii) directly from the Employee by payment in cash or cleared funds; and/or

(iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Performance Share Units; and/or

(iv) by any other means specified in the Performance Share Unit Agreement.

4.2 The Company hereby reserves for itself and the Service Recipient the right to withhold the transfer of any securities in respect of the Performance Share Units to the Employee until full payment of the Service Recipient's Liability is received.

4.3 The Company agrees to procure the remittance by the Service Recipient of the Service Recipient's Liability to HM Revenue and Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Taxable Event occurs (or within 17 days after the end of the UK tax month during which the Taxable Event occurs, if payments are made electronically).

5. Duration of Election

5.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Service Recipient on the date on which the Service Recipient's Liability becomes due.

5.2 Any reference in this Election to the Company and/or the Service Recipient shall include that entity's successors in title and assigns as permitted in accordance with the terms of the relevant Plan and relevant Agreement. This Election will continue in effect in respect of any awards which replace the Performance Share Units in circumstances where section 483 of ITEPA applies.

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This Election will continue in effect until the earliest of the following:

(i) the Employee and the Company agree in writing that it should cease to have effect;

(ii) the date the Company serves written notice on the Employee terminating its effect;

(iii) the date HM Revenue and Customs withdraws approval of this Election; or

(iv) after due payment of the Service Recipient's Liability in respect of the entirety of the Performance Share Units to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.

Acceptance by the Employee

The Employee acknowledges that by signing the Performance Share Unit Agreement to accept the grant of the Performance Share Units, the Employee agrees to be bound by the terms of this Election.

Acceptance by the Company

The Company acknowledges that, by arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signed for and on behalf of the Company

____
By:
Title:

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SCHEDULE OF EMPLOYER COMPANIES

The Employers to which this Form of Election relates are:

Catalent UK Packaging Limited
Lancaster Way, Wingates Industrial Park,
Registered Number: 00714877
Corporation Tax District: [insert]
Westhoughton, Bolton,
Lancashire UK, BL5 3XX
PAYE Reference: [insert]

Catalent UK Swindon Zydis Limited
Frankland Road,
Registered Number: SCO70691
Corporation Tax District: [insert]
Blagrove, Swindon,
Wiltshire, UK SN5 8YG
PAYE Reference: [insert]

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Exhibit 10.38

Catalent Pharma Solutions
14Schoolhouse Road
Somerset NJ 08873
T (732) 537-6500
www.catalent.com

Private & Confidential

November 18, 2010

Dear Will:

I am pleased to confirm the terms of your assignment and transfer from Swindon to the Somerset, NJ location in your role as Senior Vice President, Global Sales & Marketing.

Salary and MIP

Effective November 1, 2010 your annual base salary of 245,000 British Pounds will be converted to 375,000 US dollars based on the average daily exchange rate during the prior six-month calendar period (i.e., January-June) and administered from Catalent's U.S. payroll on a bi-weekly basis. You will continue to be eligible to participate in our Management Incentive Plan and your target incentive will remain at 75% of your base salary.

Health and Welfare Plans

Your assignment is effective October 11, 2010 and your anticipated duration is twenty-four (24) months. Your eligibility for the US Benefits plans (Medical, Dental and Vision, Life, Accident and Disability) is effective October 11, 2010. Details of these plans and your entitlements under the plans will be provided under separate cover.

Pension Plan

A "shadow payroll" will be established in Swindon in order to maintain your continued participation in the UK Defined Contribution Pension Plan (the "Fidelity Plan"). This payroll arrangement will also allow you to continue your participation with the UK National Insurance Contribution program (NIC). With assistance from Deloitte, Catalent will ensure that tax relief is provided via the year-end tax filing process for any employee pension contributions made during the assignment period.

Social Security Card

Primacy Relocation Services Destination Team will assist you in applying for a U.S. Social Security card which is needed for income tax purposes and for proper enrolment in Catalent U.S. Benefits Plans.

Shipment of Household Goods

Catalent will pay for the movement and storage of your household goods consistent with the Catalent Long-Tern International Assignment Policy for your US assignment and return to the UK.

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Housing Accommodation

Catalent will pay your rental lease expanses for a period up to twenty-four (24) months from the effective date of your assignment exclusive of utilities and any other ancillary expenses. Catalent will pay the taxes due as a result of providing this benefit during the rental period.

Car and Fuel Allowance

For the two-year period of your assignment in the United States you will continue to be eligible for your car and fuel allowance which will be converted to U.S. dollars at the same exchange rate in effect for your base salary conversion and paid through the U.S. payroll (13,000 GBP x 1.5306 = 19,900 USD per year). You are responsible for any tax due on the taxable portion of this benefit.

Tax Assistance

A tax orientation meeting with Deliotte will be arranged in the very near future to discuss tax assistance and answer any questions you may have. You will be responsible for paying all taxes in any jurisdiction arising from sources of personal income, as well as your Catalent compensation with the exception of rental lease expenses as described above. The services of Deloitte will be retained to assist with preparing individual income tax returns related to your transfer period. Please note that you are responsible for filing your tax returns on timely basis with the assistance of Deloitte.

Employment Status

Nothing in the agreement changes your employment status or guarantees continued employment while you are on this assignment.

Please contact me if you have any additional questions.

Yours Sincerely,

Harry Weininger
SVP, Human Resources

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Exhibit 10.39

Catalent Pharma Solutions
14Schoolhouse Road
Somerset NJ 08873
T (732) 537-6500
www.catalent.com

May 4, 2009

Mr. Steve Leonard

Dear Steve:

Congratulations on your offer of employment Catalent is the leading provider o f pharmaceutical development services, drug-delivery technologies, manufacturing and packaging services to the global pharmaceutical and biotechnology industry. We take great pride in hiring executives who have talent, drive and commitment, and we are extremely delighted to have you join our team.

Attached is important information about our organization, your individual position, benefits and rewards. I encourage you to review all materials thoroughly and contact me with questions.

I am pleased to confirm in writing our offer of employment to you. The major provisions of your offer are:

1. **Position:** Your position is Senior Vice President, Global Operations reporting directly to myself. As the SVP of Global Operations you will also be a member of Catalent's Executive Leadership Team.

2. **Pay:** Your base bi-weekly rate of pay will be $13,461.53 (annualized to $350,000). The official Catalent workweek starts on Monday and runs through Sunday. Catalent employees are paid every other Friday, one week in arrears according to the payroll schedule included in your packet.

3. **Sign-On Bonus:** You will receive a sign on bonus of $200,000, to be paid within 30 days from the start of your employment. Please note all applicable taxes and withholdings will apply to this bonus payment. If you voluntarily terminate employment with Catalent within twelve (12) months of your start date, you will be obligated to repay Catalent the full amount of the sign on bonus.

4. **Performance:** Your performance and merit reviews will follow the standard annual review calendar for Catalent.

5. **Rewards:** Catalent is pleased to offer a comprehensive, competitive compensation program that rewards talented employees for their performance.

    a. You will be eligible for participation in our short-term incentive plan, which we call our Management Incentive Plan (MIP). Your target incentive for fiscal year 2010 (July 1, 2009 - June 30, 2010) will be 75% of your annual base salary, prorated to reflect the number of days you are employed during the fiscal year. For fiscal year 2010, 50% of your target incentive will be guaranteed. Annual bonus payments are determined based upon the achievement of specific financial and management agenda objectives. This will be explained to you in more detail when you come on board, but I am happy to answer any questions you may have in the interim.

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b. You will be eligible for our health, life, disability and 401(k) retirement savings plans on your first day of employment. You will receive more information on these benefits during your new hire orientation.

c. You will be eligible to participate in Catalent's Deferred Compensation Plan that enables you to save over the IRS limits in the qualified 401(k) plan. Complete details on the features of this plan and how to enroll will be mailed to your home following hire date.

d. We will recommend to the Board of Directors of PTS Holdings Corp. (parent entity of Catalent) that you be awarded stock options to acquire shares of common stock of PTS Holdings Corp. with an aggregate value of $3,000,000 dollars with an exercise price per share equal to the Fair Market Value on the date of grant (as such term is defined in the Equity Documents). The grant of your award will be subject to your investment of $300,000 in cash to purchase shares of common stock of PTS Holdings Corp. at a per share purchase price equal to the Fair Market Value; $100,000 of which will be invested within 30 days of the grant date of your options and the remaining portion to be invested following the payment of the MIP bonus (as applicable) associated with the next three fiscal years and per the following amounts: FY2010 ($75,000), FY2011 ($75,000) and FY2012 ($50,000). (The payment of MIP (as applicable) has historically occurred the beginning of September.)

The grant of your award is also subject to the approval of the Board of Directors of PTS Holdings Corp. and the date of the grant will be the date the Board of Directors approves your award. The timing of the approval of your recommended grant is dependent on your acceptance and start date. The complete terms and conditions of this equity award, including vesting provisions and restrictive covenants such as a non-compete, will be communicated to you as part of the Equity Documents that you will receive, pending approval of the award. Equity Documents as used herein is defined as the PTS Holdings Corp. Management Equity Subscription Agreement, PTS Holdings Corp. Securityholders Agreement, 2007 PTS Holdings Corp. Stock Incentive Plan, and the Non-Qualified Stock Option Agreement to the 2007 PTS Holdings Corp. Stock Incentive Plan.

6. **Severance:** A separate severance agreement letter is being prepared that will provide to you severance equal to your annual base salary and MIP target bonus, subject to the terms of the agreement.

7. **Paid Time Off:** Upon joining Catalent you will receive seven (7) paid company holidays (New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day following, and Christmas Day).

a. During the 2009 calendar year, you will be eligible to receive a prorated Paid Time Off (PTO) benefit based on your start date.

b. Beginning January 2010, you will be eligible to receive up to 26 days of PTO. PTO includes vacation, sick and personal days, all of which need to be used during the 2010 calendar year.

8. **Screening:** Consistent with our policies for all Catalent personnel and the special consideration of our industry, this offer is **contingent** upon the taking of a company-paid drug screening test, the results of which must be negative, as well as an acceptable background check.

a. The **drug screen must be completed within five days** of receipt of this offer.

b. The background check must be complete prior to your start of employment. **Please sign and fax back at least one week prior to your start date** the following documents authorizing us to move forward with the initiation of the required background check:

1. Signed copy of this offer
2. Background Check- Notice & Acknowledgment

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9. **Terms:** Notwithstanding anything to the contrary herein, employment with Catalent is not for any definite period of time and is terminable, with or without notice, at the will of either you or the company at any time for any reason. There shall be no contract, express or implied, of employment.

10. **Confidentiality:** Catalent does not hire people for the purpose of acquiring their current or former employer's trade secrets, intellectual property, or other confidential or proprietary information, and Catalent does not want access to any materials containing such information. Consequently, any documents, computer discs, etc. containing any such information should be returned to your current or former employer, and in no case may such information be brought to, or used, at Catalent.

11. **Ethics:** As a company founded on a core set of values, you will be provided with Catalent's Standards of Business Conduct and be prepared to sign a letter of compliance.

12. **Orientation:** Orientation for new hires is conducted monthly at the Somerset facility. We will work out a mutually agreeable day and time for your orientation to receive information about the benefits program, as well as technology training. If possible, on your first day, please bring the necessary identification to fill out your 1-9 form. Typical identification items include your driver's license and social security card.

13. **Start Date:** Your first day of employment is to be mutually agreed upon.

As mentioned above, **please fax back** a signed copy of this offer, a copy of your resume and the completed Background Check - Notice & Acknowledgment to commence your background investigation to Harry Weininger at 732-537-5932.

If you have any questions, please feel free to call me at 732-537-6401 or Harry Weininger, SVP-Human Resources at 732-537-6432.

Sincerely,

John Chiminski
President and Chief Executive Officer
Catalent Pharma Solutions, Inc.

Enclosures

cc: H. Weininger

I accept the above offer of employment:

Steve Leonard	Date

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Exhibit 10.40

Catalent Pharma Solutions
Frankland Road,
Blagrove, Swindon
Wiltshire, SN5 8YS,
United Kingdom
tel +44 (0)1793 864000
fax +44 (0)1793 613394
www.catalent.com

TERMS & CONDITIONS OF EMPLOYMENT STATEMENT

Management personnel

As at and effective from:	**18th April 2011**
Name:	**Sharon Johnson**
Job Title:	**SVP, Global Quality**
The Principal Place of Employment:	**Swindon, Wilts**
Continuous service from:	**27th July 2009**

1. Job Description:

Your job title is outlined above or such other title as the Company (Catalent Pharma Solutions) may give you in its discretion from time to time. The principal duties of your job are set out in your job description. In addition to these duties you will carry out other duties that the Company may from time to time direct.

2. Hours:

Your hours of work are as detailed within the attached offer letter. You may be asked to work outside these hours when necessary. The Company shall be entitled to change the hours of work and, if appropriate shift pattern, when necessary to meet the operational demands of the business.

3. Salary:

Your basic salary, as detailed in the attached offer letter, will be paid to you monthly on the last day of each month by credit transfer and is subject to review in September each year. The appointment does not attract overtime payment.

4. Authorised Deductions from Salary

You hereby authorise the Company to deduct from your remuneration any sums due from you to the Company including, without limitation, any overpayments, loans or advances made to you by the Company, any overpayments in respect of annual leave taken in excess of your entitlement, the cost of repairing any damage or loss to the Company's property caused by you and any losses suffered by the Company as a result of negligence or breach of duty by you.

5. Annual Leave:

The annual leave year runs from January to December. Upon commencement of employment you will receive the appropriate pro-rata amount of holidays. Upon termination you will receive the appropriate pro-rata leave entitlement and in the circumstances where annual leave taken exceeds entitlement, the necessary deduction will be made from your final salary.
Further information about your annual entitlement is included in the Company's Human Resources Policy and Procedures - Annual Leave.

6. Sickness:

Company Sick Pay will be paid during sickness absence in accordance to the applicable schedule, available from HR. In cases where the Company considers it has good reason to doubt such absence is genuine, payment may be reduced or withheld. Payments are conditional on notification requirements.

The Company shall be entitled to review your sickness record at any stage of absence and may dismiss you on the grounds of such absence notwithstanding that your entitlement to sick pay has not been exhausted.

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If the nature of your illness or injury is such that the Company has reasonable grounds to believe your absence may be extensive, you will be referred to the Occupational Health Department, Company Doctor and/or, with your written consent, further information may be requested from your GP or other Specialists.

The Company has the right to dismiss even if the sick pay allowance has not been exhausted.

Abuse of the Company's sick pay scheme will result in disciplinary action being taken.

In cases where payment under the scheme is withheld, employees may appeal against the decision through the Grievance Procedure (explained in the Company's Human Resources Policies & Procedures - Grievance Procedure).

For details of notification, certification, statutory sick pay and sickness on holiday you should refer to the Company's Human Resources Policies & Procedures - Absence.

7. Medical Examination:

You may be required to submit yourself to a medical examination by a doctor or Occupational Health Practitioner appointed by the Company at any time during your employment. You hereby agree that you will authorise both your own doctor and the doctor / Occupational Health Practitioner appointed by the Company to disclose in confidence to the Company details of any medical condition from which you are suffering, the results of any examination and to discuss with the Company any matters relating to your health and which might impair the proper discharge of your duties.

You agree to comply with the Company's Drug & Alcohol Policy as detailed in the Company's Human Resources Policies & Procedures

8. Pension and Life Assurance:

Provided you are age 18 years or over, you may be entitled to become a member of the appropriate Pension Scheme operated by the Company from time to time. The Company reserves the right to modify or withdraw any Pension Scheme at any time. Details of the appropriate Scheme applicable will be discussed with you upon joining the Company.

You will have Life Assurance cover of four times your basic salary from the date of commencement of employment.

9. Notice:

By the Employee: You will be required to give 3 months' notice to the Company. This may be reduced at the Company's discretion, such reduction not to be unreasonably withheld.

By the Company: The Company will give you 3 months' notice of termination.

The Company reserves the right to make a payment in lieu of notice.

The Company may dismiss you without notice in the event of gross misconduct by you.

10. Garden Leave:

The Company shall be entitled to require you to remain at home during your notice period save to the extent that your attendance at work is specifically required and requested by the Company. During this time you may not undertake any form of paid or unpaid employment without the prior written consent of the Company. During this period the Company will require you to co-operate fully with the Company as required.

11. Union Membership and Collective Agreement:

There is no collective agreement applicable to these terms and conditions.

12. Health & Safety:

You are required to comply with your obligations under the Health & Safety at Work Act 1974 and any other relevant health and safety legislation. This requirement includes the reporting to your manager of any unsafe working conditions, practices, equipment or machinery and all accidents/incidents at work, even if there are no injuries and property is not damaged.

You agree to comply with all Company and site Health and Safety Policies and Procedures.

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13. Positive Work Environment:

The Company does not tolerate inappropriate verbal, non-verbal or physical conduct by any employee because of another's gender, race, religion or belief, age, pregnancy and maternity leave, gender reassignment, marriage or civil partnership, sexual orientation or disability or any other basis prohibited by legislation. The Company likewise does not tolerate conduct that harasses, disrupts or interferes with another's work performance or that creates an intimidating, offensive, abusive or hostile work environment. Each employee is responsible for maintaining a harassment-free and discrimination free environment. This requirement includes the reporting to your manager or the Human Resources Department of any such activity that you become aware of. Please refer to the full procedures contained within the Company's Human Resources Policies and Procedures - Equal Opportunities and Harrassment.

14. Search:

As a condition of your employment, you will, if required by a Security Officer appointed by the Company, or somebody appointed to act on behalf of the Company, submit yourself and your belongings (including locker and car) to a search to ascertain whether you are in possession of any of the Company's property. If requested to submit to a search, you may ask for a colleague who is then reasonably available to be present throughout the search. The Company is anxious that a search should be carried out with the minimum of embarrassment to all concerned and therefore, the Company expects you to co-operate fully. The search will be conducted by a Security Officer and one other person nominated by the Company both being of the same sex as yourself.

If you decline to cooperate with the search without any good reason, this will be deemed a serious breach of contract and the Company reserves the right to take such action against you as is appropriate and this may include your dismissal.

15. Outside Activities:

In order for the Company to establish whether any outside employment and positions you may undertake will interfere with your duties or be contrary to the interests of the Company, you must disclose all such activities to your Manager. The Company reserves the right to require you to refrain from activities which, in the reasonable opinion of the Company, conflicts with your duties or adversely effect the interests of the Company.

16. Confidentiality:

You will not except as authorised by the Company or compelled by a Court of competent jurisdiction, reveal to any persons or company whatsoever any of the trade secrets or confidential operations, processes or details of any information concerning the organisation, transactions, business, finance, affairs, formulas, methods of manufacture, details of customer prices or contracts, research programmes, Company machines, staffing of the Company or any Company within the Catalent Pharma Solutions Group or any of its customers or potential customers which may come to your knowledge during your employment and shall keep with complete secrecy all such information which shall be deemed confidential and will not use or attempt to use any such information entrusted to you except in the course of your employment and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company, any Company within the Catalent Pharma Solutions Group or their respective customers or potential customers of their respective business. If you are

compelled by a Court of competent jurisdiction, you shall immediately notify the Company prior to such disclosure being made and assist the Company in any way possible in limiting as far as possible the ambit of such disclosure.

You will deliver up to the Company on request from time to time and on termination of your employment all notes and records (including copies) made, acquired or received by you relating to your work for the Company and all other material containing confidential information of the Company or its customers or potential customers.

This restriction shall continue to apply after termination of this agreement without limit in point of time but shall cease to apply to information or knowledge which may come into the public domain.

The Company from time to time enters into development agreements and the like with other companies and such agreements do from time to time impose restrictions upon the Company's staff to protect the information disclosed to enable the project to be undertaken. The Company always endeavours to ensure that such agreements are reasonable both to the Company and its employees and if you are involved in a particular project, you will agree to be bound by the terms of such agreement.

17. Intellectual Property Rights:

(a) For the purposes of this clause "Intellectual Property" includes patents, trade marks (whether registered or unregistered), registered or unregistered designs, utility models, copyrights, applications for any of the foregoing and the right to apply for them in any part of the world, discoveries, creations, inventions or improvements upon or additions to an invention, confidential information, know-how and any research effort relating to any of the above-mentioned, business names whether

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registrable or not, moral rights and any similar rights in any country.

(b) The parties foresee that you may make, discover or create Intellectual Property in the course of your duties under this agreement and agree that in this respect you have a special obligation to further the interest of the Company.

(c) Subject to the provisions of the Patents Act 1977 and the Copyright Designs and Patents Act 1988, if at any time during your employment under this agreement you make or discover or participate in the making or discovery of any Intellectual Property relating to or capable of being used in the business for the time being carried on by the Company or any of its associated companies, full details of the Intellectual Property shall immediately be communicated by you to the Company and such intellectual property shall be the absolute property of the Company. At the request and expense of the Company, you shall give and supply all such information, data, drawings and assistance as may be requisite, to enable the Company to exploit the Intellectual Property to the best advantage of the Company and you shall execute all documents and do all things which may be necessary or desirable for obtaining patent or other protection for the Intellectual Property in such parts of the world as may be specified by the Company and for vesting the same in the Company or as it may direct.

(d) You irrevocably appoint the Company to be your attorney in your name and on your behalf, to sign, execute or do any such instrument or thing and generally to use your name for the purpose of giving to the Company (or its nominee) the full benefit of the provisions of this clause and for the avoidance of doubt, you hereby

agree that a certificate in writing signed by a Director of the Company, which states that any instrument or act falling within the Company's authority under this clause shall be conclusive evidence that such is the case.

(e) If the Intellectual Property made, discovered or created by you is not the property of the Company, the Company shall, subject to the provisions of the Patents Act 1977 and the Copyright Designs and Patent Act 1988 have the right to acquire for itself or its nominee your rights in the Intellectual Property within three months after disclosure pursuant to sub-clause (c) above on fair and reasonable terms to be agreed by the parties. You agree not to disclose such Intellectual Property to any person during the three month period. If fair and reasonable terms cannot be agreed within two months after disclosure pursuant to sub-clause (c), they shall be settled in default of agreement by a patent agent agreed by the parties or in default of agreement, nominated by the President for the time being of the Chartered Institute of Patent Agents. Such patent agent shall act as an expert and not as arbitrator and accordingly the provisions of any statutes relating to arbitration shall not apply to the patent agent's decision. The costs of the patent agent shall be borne by the Company.

(f) The rights and obligations under this clause shall continue in force after termination of this agreement in respect of Intellectual Property made during your employment under this agreement and shall be binding upon your personal representatives.

18. Restraint:

For a period of 6 months from the termination of your employment you will not directly or indirectly:

(a) be an agent of, a consultant for or an employee in any business which competes with any business carried on by the Company at the date of termination of your employment save that you shall be free to be an agent of, a consultant for or an employee of any business so far as your duties and work shall relate exclusively to work of a kind or nature with which you were not concerned to a material extent during the last year of your employment with the Company.

(b) solicit, canvass or approach any person, firm or company who, to your knowledge, was provided with goods or services by the Company at any time during the last year of your employment or was negotiating with the Company for the provision of goods or services by the Company at that date of termination, or offer to that person, firm or company, goods or services similar to those provided to him by the Company during the last year of your employment with the Company or which were the subject of negotiations at the date of termination; or

(c) accept orders from any person, firm or company for goods or services similar to or competitive with the goods or services previously provided to him by the Company during the last year of your employment or which were the subject of negotiations at that termination.

save that the restrictions above shall only apply to the United Kingdom of Great Britain and Northern Ireland.

Until the expiration of 12 months from the termination of your employment (for whatever reason) you will not solicit or entice away from the Company or engage or employ any person employed by the Company in any executive, sales, marketing, research or technical support capacity at that date of termination or within a period of three months immediately before or procure that such person be engaged or employed by any other business which competes with any business carried on by the Company at the date of the termination of your employment.

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Each provision set out in the above clauses is independent and severable from the remaining provisions and enforceable accordingly. If any provision of these clauses shall be unenforceable for any reason but would be enforceable in part if the wording thereof were deleted, it shall apply with such deletions as may be necessary to make it enforceable.

19. Grievance Procedure:

Please refer to the full procedure contained within the Company's Human Resources Policies & Procedures - Grievance Procedure.

20. Disciplinary Procedure:

Please refer to the full procedure contained within the Company's Human Resources Policies & Procedures - Disciplinary Procedure.

21. Data Protection:

Catalent respects the privacy of its employees. In accordance with the Data Protection Act 1998 the Company hereby notifies you that it holds personal data relating to you for the purposes of managing and administrating your employment relationship and for Company's compliance with applicable laws. In addition, personal data may be transferred to third parties that provide services to Catalent or to the Company headquarters in the USA for Company reporting and statistical purposes and for the administration of any US-managed benefits. Your signature to this contract constitutes your consent to the use and the transfer of your personal data by Company for these purposes. You have a right to request a copy of certain personal information collected and stored by Catalent, and to require Catalent to correct any inaccuracies in such information.

22. Changes to Employment Terms:

The Company reserves the right to make reasonable changes to the terms and conditions of your employment, which will be confirmed to you in writing.

23. Miscellaneous:

The parties to this agreement submit to the English Courts. It shall be governed by and shall be construed in accordance with the laws of England.

Signed on behalf of the Company [ ] Date [ ]

Signed by the employee [ ] Date [ ]

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Exhibit 10.41

Catalent Pharma Solutions
Frankland Road,
Blagrove, Swindon
Wiltshire, SN5 8YS,
United Kingdom
tel +44 (0)1793 864000
fax +44 (0)1793 613394
www.catalent.com

6th April 2011

PRIVATE & CONFIDENTIAL
Sharon Johnson
SVP Global Quality
Catalent Pharma Solutions

Dear Sharon

Further to recent discussions I write to confirm that with effect from 18th April 2011, you will return to working in the UK, located from our Swindon facility.

This letter subject to your acceptance and in conjunction with the enclosed documentation, will form the basis of your continued employment with Catalent Pharma Solutions.

Working Hours

Your hours of work are 37.5 per week, working Monday to Friday. The Company shall be entitled to change the hours of work when necessary.

Pay

Your basic salary will be £210,000 per annum. This will be reviewed in September 2011, and annually thereafter

Bonus

You will be entitled to participate in the Catalent Management Incentive Plan and your bonus potential under this plan will be 75% of salary. This is based on the Company financial year from 1 July to 30 June and usually paid in September. The Company reserves the right to vary, modify or withdraw any bonus scheme at any time.

LTIP

You will retain eligibility for the PTS Holdings Corp Equity Plan as per your existing terms and conditions.

Relocation

You will receive a tax free relocation of £8,000 payable against receipt of relocation expenses incurred e.g., temporary living accommodation in accordance with the Relocation Policy and HMRC guidelines.

Within this we commit to provide for a 1 bedroom apartment locally. Expense incurred in support of this commitment that go beyond the tax free allowance will be supported by Catalent, however; you will be responsible for the respective tax liability associated with any non tax free allocation. Funding of a 1 bedroom apartment in the locality will be on an on-going basis and subject to annual review. Please contact David Lloyd to discuss identification of a suitable property.

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In addition, we will cover your international relocation related costs in supporting your return from the US to the UK e.g., movement of household goods etc.

Car & Fuel Allowance

You will be entitled to a car allowance of £9,200 per annum and a fuel allowance of £4,200 per annum. These are non-pensionable allowances subject to tax and National Insurance paid in equal monthly instalments.

Private Medical Insurance

You will continue to receive non-contributory family membership of the Company's private medical insurance scheme.

Annual Leave

In addition to normal statutory holidays your annual entitlement is 24 days, rising to 26 days after the completion of 5 years service and 28 days after completion of 10 years service.

Pension

You will be eligible to join the Company's pension plan. Details of the Catalent Pharma Solutions Group Personal Pension Plan is enclosed along with an application form. To join the plan you must complete and return the application form.

Terms and Conditions of Employment Statement

Enclosed are your Terms and Conditions of Employment, please sign and return one copy to me along with the attached form to signify acceptance.

In the meantime should you have any immediate queries then please do not hesitate to contact me.

Yours sincerely

David Lloyd
Regional HR Diretor UK & Ire

I, Sharon Johnson, confirm acceptance of my appointment on the terms and conditions outlined within the enclosed letter dated 6th April 2011.

Signed

Date

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Exhibit 10.42

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Frankland Road,
Blagrove, Swindon
Wiltshire, SN5 8YS,
United Kingdom
tel +44 (0)1793 864000
fax +44 (0)1793 613394
www.catalent.com

June 18, 2013

Sharon Johnson

Dear Sharon,

This letter confirms the terms and conditions that apply to your international assignment relocation benefits. If you have any questions or concerns regarding this information, please reach out to Irene da Silva in Corporate Benefits at 732-537-4649 or via email at Irene.daSilva@Catalent.com.

PRE-ASSIGNMENT ADMINISTRATION

A. Assignment Letter

The assignment letter will formally summarize the terms and conditions of the international assignment as outlined in the policy guidelines.

You will receive an assignment letter from your HR Business Partner that will be signed by you, your manager, and the Vice President, Human Resources for your business unit president prior to the pre-move visit.

B. Passports, Visa, Work and/or Residence Permits

Costs associated with obtaining passports, Visas, Work and Residence Permits will be reimbursed by Catalent for you and your spouse.

However, it is your personal responsibility to make all necessary arrangements for obtaining a passport for each family member. It generally takes several weeks for a passport to be issued, so you should begin the process as soon as possible.

Each country has its own immigration laws that regulate the requirements for obtaining Visas, Work and Residence Permits. Your Visas are currently in progress with Dornbaum & Peregoy, LLC, our immigration attorneys.

PRE-ASSIGNMENT BENEFITS

A. Pre-Move Visit

During your pre-move visit you will meet local management, assess the proposed assignment, become familiar with the host location, and locate housing.

Before accepting the assignment you and your spouse will take a trip to the host location. During the visit, Catalent will pay for an outside consultant to provide destination services to help you and your spouse find housing and familiarize you with the community in which you will live.

The pre-move visit should not exceed six (6) working days, and expenses for round trip economy airfare (if you want to upgrade flight accommodations, you will be responsible for the difference between the price of the economy accommodations and the desired flight accommodations), transportation, meals, and lodging will be reimbursed.

If you are not able to secure permanent housing accommodations during the pre-move visit, then you will have to continue the search for housing upon relocation to the host location.

B. Assignment Orientation

During the assignment orientation your international assignment benefits, including compensation, expatriate allowances, relocation and taxes will be reviewed with you.

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Prior to accepting the assignment, you and your spouse should have a one day orientation program which includes:a meeting with home country human resources to discuss compensation, benefits and expatriate allowances, in person, when feasible. Additionally, Catalent partners with Deloitte to manage the tax equalization and filing processes, and Cornerstone Relocation Group to administer the relocation policy benefits and manage the day-to-day requirements of your move. The responsible representatives from our partners will independently arrange a teleconference orientation briefing to discuss, respectively, the tax equalization policy and tax filing requirements, and review the relocation policy and address any questions regarding the actual move. It is recommended that both you and your spouse participate in these initial calls, when possible.

C. Cultural Orientation

The cultural orientation will provide you and your spouse with a better understanding of the different culture in which you will be living.

A cultural 2 day orientation program will be provided for you and your spouse.

The program will address cultural differences, life-style adjustments, business etiquette, and other living issues that may impact you and your spouse.

D. Relocation

A Miscellaneous Allowance equal to $10,000 (all taxes on this payment will be paid by you) will be provided and is intended to cover incidental expenses incurred during the move that are not covered by Relocation Policy, such as:

- Laundry/dry cleaning, newspapers, movies
- Driver’s license/automobile registration
- Carpet and drapery purchase/installation
- Pet shipment, shots, quarantine and boarding
- Cable TV, satellite, phone and utility hook-up/installation

In addition, you are eligible for up to an additional $20,000 for miscellaneous expenses incurred above the $10,000 payment noted above. You will also be responsible for the taxes on these funds as they are used as well. You must submit receipts to Cornerstone as the expenses are incurred and they will reimburse you accordingly.

The relocation counselor will book your move with a mover who is best suited to provide you with quality service based on your location. Once the move is booked a representative will be contacting you to arrange for a pre-move survey.

The following expenses and services are covered:

- Packing and unpacking of ordinary household goods.
- Shipping of all goods normally associated with a household.
- Reasonable and normal crating costs may be covered for ordinary household goods as recommended by the movers.
- Disconnection and reconnection of usual household appliances. (Does not include the installation of a gas line or electrical outlet where one is not already present.)
- Pick-up of packing materials in new location, within a reasonable amount of time.

This is not an all-inclusive list, you should discuss any questions with your relocation services consultant.

E. Destination Services

You and your husband will have access to destinations services paid by the Company, for up to two (2) days of assistance. Outside vendors will be available to assist you with issues such as housing, medical care, transportation, shopping, social networking, etc.

F. Temporary Living

You and your spouse will be provided with an initial 30 days of reasonably priced company-paid temporary accommodations (based on “going market rate” of the local temporary living accommodations), which may be either a hotel or corporate housing, depending on the location and availability. The Relocation Counselor will assist in determining the best option for the host destination. Should delays occur with the shipment of household goods, the expense of rental furniture will be covered by Catalent for up to 60 days.

G. Language Lessons

Language lessons may be provided for you and your spouse (this benefit is a joint decision between the employee and management). The company may provide a sufficient amount of language training to enable you and your spouse to attain functional proficiency in the host country language.

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It is strongly recommended that language training begin before relocating to the host location in an effort to ease the transition. Language lessons may continue in the host location and must begin within the first 12 months of the relocation. With management approval, you and your spouse are eligible for reimbursement of language training expenses, capped at $3,500 or equivalent local currency for both. Immersion training (combined culture and language) may be considered depending upon need and circumstances.

COMPENSATION AND BENEFITS

Based on the temporary nature of an International Assignment, you will remain in your home country compensation and benefits structures.

A. Base Salary

Base salary, merit increases, legally required country increases, and promotional increases will continue to be based on the current administration guidelines for ELT members.

B. Incentive Bonuses

Bonuses will be administered and paid in keeping with the current administration guidelines of the MIP Plan.

C. Benefits

Coverage for you and your spouse will be provided that mirrors your current coverage in the UK. The details of this plan are being finalized and will be provided to you as soon as administratively possible.

D. Vacations and Holidays

Vacation is designated by home country policy. Public holidays are designated by host country policy.

EXPATRIATE ALLOWANCES

A. Cost of Living Allowance (COLA)

A COLA will only be provided to an International Assignee who experiences a higher cost for goods and services in the host location. The COLA is intended to help preserve the International Assignee's home country purchasing power.

Your estimated monthly COLA allowance is 674.75 GBP to start as soon as you are out of temporary housing.

The COLA pay is based on statistical data includes pricing information from the home and host location, and consideration for exchange rate fluctuations, inflationary changes, salary level, and family size. The COLA will be adjusted on a regular basis (twice a year) to reflect changes in these areas and may increase or decrease with each update. The COLA will be effective when the International Assignee has moved into permanent accommodations in the host country.

All taxes related to the COLA will be paid by the company.

B. Host Country Pay

If it is legally possible, you may receive a portion of your pay in host country currency from the host country payroll (host pay).Based on data from an outside consultant, an amount of host pay will be recommended for goods and services spending in the host location. However, you may decide to receive a different amount to meet your personal needs. Deloitte will be able to provide further detail during your orientation call with them.

C. Host Country Housing

Catalent reimburses host country housing. The budget range is established by host country management and the guidelines provided by the outside consultant. Housing allowance includes rent and utilities (excluding phone).If you decide on housing that is above the limit set by management, then the additional amount will be your responsibility.

Your host country housing budget is up to $3,750 per month. The monthly amount for utilities is to be determine and will be provided to you as soon as it is obtained.

The company will pay all taxes related to the reimbursement of housing.

Due to many financial, legal and tax complications, Catalent strongly discourages International Assignees from purchasing a home in the host location. *Should you decide to purchase a home in the host location, all costs associated with the purchase and sale of the home will be your responsibility, including all taxes.*

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D. Home Country Housing Contribution

Should you decide to sell your primary residence, a housing norm will be assessed based on the expected cost of housing and utilities in the home location. You would then contribute a portion of your base salary through payroll withholdings. The housing contribution will be assessed in the event you have been relieved of any home country housing obligations through the sale of your permanent residence. This housing contribution will equal the lower of your previous total housing costs or an outside consultant's amount based on average housing costs in the home country.

E. Home Country Residence

If you decide to leave your home vacant during the assignment; no housing contribution will be deducted. With proper management approval, property management fees will be reimbursed. Once approved, you would submit the monthly statement to Cornerstone for reimbursement to you or payment to the management firm.

If you rent your home and lose the tenant, the housing contribution will be suspended.

Prior to the start of the assignment, you must find an acceptable rental management firm to manage your property. The costs for the firm must be approved by the home country administrator before a contract is signed.

With the proper approval, the following will be reimbursed:

- Real-estate commissions each time the home is rented
- Ongoing rental/property management fees

OTHER BENEFITS

A. Spouse/Domestic Partner Career and Transition Assistance

While gainful employment may not be possible as a result of employment and immigration regulations, Catalent recognizes the importance of supporting the assimilation and acclimation process to ease the acculturation process. Your spouse is eligible for career and transition assistance in the new location through a preferred supplier. The assistance includes resume development, interviewing/negotiation skills, development of a job search action plan, career focusing, vocational testing, acclimation resources, and more. If your spouse would like to take advantage of this service, they should contact the relocation services counselor. This benefit is a considered taxable income and will be tax assisted.

B. Home Leave

You and your spouse are eligible for home leave after 12 months in the host location. Additional home leaves are earned each 12 months on assignment, provided that the assignment is intended to last at least 3 months after home leave is completed.

Home leave may be advanced after 8 months in the host location in order to return for summer vacation or the December holidays. Catalent will allow you to advance your home leave prior to 8 months for the December holidays.

The following guidelines apply:

- The duration of home leave may last up to your full unused annual vacation entitlement. An additional vacation day will be provided for travel at the beginning and the end of home leave.
- Round-trip economy airfare will be reimbursed for you and your spouse.
- Costs of transportation to/from airports, transfer taxes, if applicable, exclusively between the home/host locations, lodging and expenses during transit are reimbursed, including charges on excess baggage up to the weight limits allowed for first class passengers.
- All expenses incurred at the destination are your responsibility.
- All allowances continue during home leave.
- The company will pay no more than the cost of returning to the home country, if you choose to visit another country.
- Home leave entitlement cannot be transferred between family members and there will be no cash payments in lieu of home leave. Home leave is applicable for you and your spouse.

The timing of your home leave should be agreed by host country management. Approval and reimbursement of home leave expenses should be handled by host country human resources.

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C. Emergency Leave

Emergency situations include, but are not limited to, the serious illness of your spouse or yourself, or the death/serious illness of a dependent child, parent, brother, sister, grandparent, or grandchild residing in the home location and/or threat of a terrorist attack or civil unrest in the host country. Approval for emergency travel due to medical emergency must be obtained from the human resources representative in the host location. For any other kind of emergency, assignees and members of their families should follow the guidelines of the home country embassy.

The following will be reimbursed:

- Round-trip economy airfare.
- Costs of lodging and expenses during transit.

D. Sale of Home Country Automobiles

Assistance is provided for the disposition of one personal automobile if you have a company car prior to the assignment, and up to two personal automobiles if you do not have a company car.

For cars that are owned, Catalent will reimburse you for loss on the sale, capped at $5,000 per vehicle up to two vehicles (yours and your spouse's). The reimbursement will be the difference between the wholesale price and the retail price, and will be reimbursed with proof of sale and documentation verifying the resale value (i.e. Kelley Blue Book).Catalent will also reimburse lease cancellation fees. The sale information should be submitted to Cornerstone and they will coordinate your reimbursement.

E. Car Assistance

If you were provided a car or car allowance in your home country then a comparable benefit will be provided at the assignment location. Catalent will also provide a car benefit if this is a common practice in the host location regardless of home country practice.

If your car allowance is not sufficient to cover the cost of a rental until your car arrives or you purchase/lease a vehicle; Catalent will reimburse the difference of the rental car for up to 60 days upon arrival at the host location. Receipts must be submitted to Cornerstone for reimbursement to you.

F. Repatriation Program

International assignees that successfully completed their assignment are viewed by Catalent as the most experience and knowledgeable cadre of the company. Thus, an assignee with the assistance of the business unit head of human resources will need to discuss and understand how the assignment will be structured into his/her career path.

Therefore, every attempt will be made by the Company to bring you to your home country and provide you with a new position that meets your level of unique experience and knowledge acquired over the course of the international assignment.

Should you leave the organization on an involuntary basis (except for cause) prior to the completion of your assignment Catalent will be responsible for the repatriation of you and your spouse to your home country.

Tax Equalization & Other Services:

A. Income Tax Assistance

As a result of your long term assignment to the United States you will be subject to US tax return filing requirements. The Company will pay the reasonable and customary cost for the Company's designated tax advisors for the preparation and filing of the US and UK tax returns for the duration of your assignment.

B. Tax Equalization

The intent of the tax equalization policy is to establish procedures to ensure that income taxes remain a neutral aspect of the assignment. A hypothetical Home Country tax and social security contribution will be calculated and deducted from your compensation package in accordance with Catalent Pharma Solutions International Assignments Policy and policy guidelines issued by the Company. Catalent Pharma Solutions will bear the cost of actual income taxes due in the Home and/or Host Country on company compensation (including all Assignment -related allowances as appropriate).A tax equalization calculation will be prepared at the end of each fiscal year to determine whether sufficient hypothetical tax has been withheld during the year. Deloitte will reach out to you with details regarding your tax equalization.

C. Foreign Tax Credits

As mentioned above, it is expected that Catalent Pharma Solutions will generally pay all actual Host Country taxes on your employment income. As such, any foreign tax credits granted under US tax laws which result from Host Country tax payments are for the sole benefit of the Company. 'Excess' foreign tax credits which accrue during the assignment period that cannot be fully utilized during the assignment period may be carried forward to future tax years. In such instances, the Company may ask you to participate in the tax equalization program in years after repatriation to utilize some of the excess tax credits and offset some of the assignment related costs incurred by the Company.

Source: Catalent, Inc., 10-K, September 02, 2015 Powered by Morningstar® Document Research℠
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Termination of Employment:

a. If you decide to voluntarily terminate your employment relationship with Catalent prior to the completion of your assignment in the US, Catalent will not be responsible for any cost or expenses associated with the repatriation to your home country.

b. If the employment relationship is terminated by Catalent, for other than just cause, Catalent will reimburse you for reasonable, actual and supported expenses related to your and your families' return to the United Kingdom, provided that the relocation takes place and is completed within six (6) months after the completion of the employment relationship.

Repayment Obligations:

a. In accordance with the International Assignment Policy, if you voluntarily leave the Company within twelve (12) months of your relocation you will be required to repay the company 100% of any and all relocation cost incurred and associated with relocation to the host country. Should you leave the company after one (1) year but less than two (2) years after you are relocated, you will be required to repay 50% of any and all relocation costs incurred associated with relocation with the host country.

b. Additionally, you acknowledge a report of direct expenses incurred as a result of this relocation will be reported to the appropriate Federal and State tax agencies by the Company and reflected on your earnings statements. You fully understand that you must declare such income for the tax year during which the expenses are incurred.
c. You further acknowledge that should you fail for any reason, under your control, to begin the assignment on the designated date, be discharged for disciplinary action to include but not limited to unlawful or criminal conduct, falsification of records, physical violence, destruction of company property, improper discrimination, harassment of other employees, including sexual harassment or voluntarily terminate your employment with the Company, it is agreed you will reimburse the Company for any and all expenses, including tax liability paid to you or on your behalf, related to the relocation.

d. Finally, you authorize the Company to withhold in the maximum amount permitted by law, payment of any and all monies due to you in the nature of wages, vacation pay, commissions, bonus, reimbursable business expenses or any other compensation due to you, to satisfy this obligation. You agree that if the foregoing withholding is insufficient to liquidate this obligation, then the balance shall become immediately due and payable without notice or demand. You also agree that you will be responsible to pay any legal expenses associated with the collection of this debt obligation.

General Provisions:

By agreeing to the terms and conditions of this letter you expressly agree that any differences that may exist between you and Catalent Pharma Solutions, LLC, will be resolved according to the laws of the State of New Jersey.

If any local benefits policy is inconsistent with the terms and conditions of this letter, the terms and conditions of this letter will take precedence.

Sincerely,

William Hopf VP,
Total Rewards

cc: Personnel File

By signing below you express your understanding and agreement with the terms and conditions detailed above.

Sharon Johnson Date

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Exhibit 12.1

Statement Regarding Computation of Ratio of Earnings to Fixed Charges

	Year Ended June 30,				
(Dollars in millions, except for ratios)	**2015**	**2014**	**2013**	**2012**	**2011**
Earnings/(loss) from continuing operations before income taxes and noncontrolling interest	112.5	67.4	(23.9)	18.6	(5.4)
Plus Fixed Charges:					
Interest expense	105.0	163.1	204.6	185.1	166.0
Capital interest	1.6	2.5	2.3	0.6	0.1
Estimated interest within rental expense	4.2	3.4	3.3	4.7	5.5
Total Fixed Charges	110.8	169.0	210.2	190.4	171.6
Plus: amortization of capitalized interest	0.3	0.6	0.3	1.0	1.5
Less: Interest expense capitalized	1.6	2.5	2.3	0.6	0.1
Earnings	222.0	234.5	184.3	209.4	167.6
Ratio of earnings to fixed charges (1)	2.0	1.4	*	1.1	*
Shortfall			(25.9)		(4.0)

* Ratios not meaningful

(1) The ratio of earnings to fixed charges is calculated by dividing the sum of earnings from continuing operations before income taxes, equity in earnings (loss) from non-consolidated investments and fixed charges, by fixed charges. Fixed charges consist of interest expenses, capitalized interest and imputed interest on our leased obligations. For fiscal years 2011 and 2013, earnings were insufficient to cover fixed charges by $4.0 million and $25.9 million, respectively. For fiscal year 2012, 2014, and 2015 the ratio of earnings to fixed charges was 1.1, 1.4,and 2.0, respectively.

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Exhibits 21.1

CATALENT, INC. SUBSIDIARIES
As of June 30, 2015

NAME (STATE OF ORGANIZATION)
WHOLLY OWNED SUBSIDIARIES OF CATALENT, INC.

1 Catalent Argentina S.A.I.C. (ARGENTINA)
2 Catalent Australia Holding Pty Ltd (AUSTRALIA)
3 Catalent Australia Pty Ltd (AUSTRALIA)
4 Catalent Belgium Holding S.A. (BELGIUM)
5 Catalent Belgium S.A. (BELGIUM)
6 Catalent Brasil Ltda (BAZIL)
7 Catalent China Holdings Limited (CAYMAN ISLANDS)
8 Catalent Cosmetics AG (SWITZERLAND)
9 Catalent CTS (Edinburgh) Limited (UNITED KINGDOM)
10 Catalent CTS (Kansas City), LLC (DELAWARE)
11 Catalent CTS (Singapore) Pvt Ltd (SINGAPORE)
12 Catalent CTS Informatics, Inc. (DELAWARE)
13 Catalent CTS UK Holding Limited (UNITED KINGDOM)
14 Catalent CTS, LLC (DELAWARE)
15 Catalent France Beinheim S.A. (FRANCE)
16 Catalent France Limoges Holding S.A.S. (FRANCE)
17 Catalent France Limoges S.A.S. (FRANCE)
18 Catalent Germany Eberbach GmbH (GERMANY)
19 Catalent Germany Holding II GmbH (GERMANY)
20 Catalent Germany Holding III GmbH (GERMANY)
21 Catalent Germany Schorndorf GmbH (GERMANY)
22 Catalent Italy Holding Srl (ITALY)
23 Catalent Italy S.p.A. (ITALY)
24 Catalent Japan K.K. (JAPAN)
25 Catalent Netherlands Holding B.V. (NETHERLANDS)
26 Catalent Pharma Solutions GmbH (SWITZERLAND)
27 Catalent Pharma Solutions Limited (UNITED KINGDOM)
28 Catalent Pharma Solutions, Inc. (DELAWARE)
29 Catalent Pharma Solutions, LLC (DELAWARE)
30 Catalent Pharmaceutical Consulting (Shanghai) Co., Ltd. (CHINA)
31 Catalent (Shanghai) Clinical Trial Supplies Co Ltd. (CHINA)
32 Catalent Singapore Holdings Pte. Ltd. (SINGAPORE)
33 Catalent U.K. Packaging Limited (UNITED KINGDOM)
34 Catalent U.K. Swindon Zydis Limited (UNITED KINGDOM)
35 Catalent Uruguay S.A. (URUGUAY)
36 Catalent US Holding I, LLC (DELAWARE)
37 Catalent US Holding II, LLC (DELAWARE)

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38	Catalent USA Packaging, LLC (DELAWARE)
39	Catalent USA Woodstock, Inc. (ILLINOIS)
40	Micron Holding Company, Inc. (DELAWARE)
41	Micron Technologies, Inc. (PENNSYLVANIA)
42	Micron Technologies Limited (UNITED KINGDOM)
43	MTI Pharma Solutions Limited (UNITED KINGDOM)
44	MTI Pharma Solutions, Inc. (DELAWARE)
45	Pharmapak Technologies Pty. Ltd. (AUSTRALIA)
46	PTS Intermediate Holdings LLC (DELAWARE)
47	R.P. Scherer Technologies, LLC (NEVADA)
48	Redwood Bioscience Inc. (DELAWARE)
49	Zhejiang Catalent Jiang Yuan Tang Biotechnology Co., Ltd. (CHINA)
50	R.P. Scherer DDV B.V. (NETHERLANDS)

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-197726) pertaining to the Catalent, Inc. 2014 Omnibus Incentive Plan and the 2007 PTS Holdings Corp. Stock Incentive Plan of our report dated September 2, 2015, with respect to the consolidated financial statements and schedule of Catalent, Inc., included in its Annual Report (Form 10-K) for the year ended June 30, 2015, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

MetroPark, New Jersey
September 2, 2015

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CERTIFICATION PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, John R. Chiminski, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended June 30, 2015 of Catalent, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2015

/s/ JOHN R. CHIMINSKI

John R. Chiminski
President and Chief Executive Officer
(Principal Executive Officer)

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Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Walsh, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended June 30, 2015 of Catalent, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2015

/s/ MATTHEW M. WALSH

Matthew M. Walsh
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

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Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Catalent, Inc. (the "Company") on Form 10-K for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John R. Chiminski, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 2, 2015

/s/ JOHN R. CHIMINSKI

John R. Chiminski
President and
Chief Executive Officer

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Exhibit 32.2

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Catalent, Inc. (the "Company") on Form 10-K for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew M. Walsh, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 2, 2015

/s/ MATTHEW M. WALSH

Matthew M. Walsh
Executive Vice President and
Chief Financial Officer

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Exhibit 99.1

Section 13(r) Disclosure

The disclosures by Travelport Worldwide Limited with respect to the fiscal periods ended September 30, 2014, December 31, 2014, March 31, 2015 and June 30, 2015 reproduced below were publicly filed with the Securities and Exchange Commission by Travelport Worldwide Limited in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended. Travelport Worldwide Limited may be considered an affiliate of The Blackstone Group L.P., and therefore an affiliate of Catalent, Inc. (the "Company"). The Company did not independently verify or participate in the preparation of these disclosures.

Form 10-Q for the fiscal quarter ended September 30, 2014:

"As part of our global business in the travel industry, we provide certain passenger travel-related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals.

The gross revenue and net profit attributable to these activities in the quarter ended September 30, 2014 were approximately $171,000 and $124,000, respectively."

Form 10-K for the fiscal year ended December 31, 2014:

"As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals.

The gross revenue and net profit attributable to these activities for the year ended December 31, 2014 were approximately $660,000 and $470,000, respectively."

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Form 10-Q for the fiscal quarter ended March 31, 2015:

“As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals.
The gross revenue and net profit attributable to these activities in the quarter ended March 31, 2015 were approximately $157,000 and $109,000, respectively."

Form 10-Q for the fiscal quarter ended June 30, 2015:

“As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals.

The gross revenue and net profit attributable to these activities in the quarter ended June 30, 2015 were approximately $145,000 and $104,000, respectively.”

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