UNITED THERAPEUTICS CORP

FORM 10-K
(Annual Report)

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the fiscal year ended December 31, 2010

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 0-26301

United Therapeutics Corporation
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**52-1984749** (I.R.S. Employer Identification No.)
1040 Spring Street, Silver Spring, MD (Address of Principal Executive Offices)	**20910** (Zip Code)

(301) 608-9292
Registrant's Telephone Number, Including Area Code

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

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $.01 per share and associated preferred stock purchase rights	NASDAQ Global Select Market

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

None
(Title of Class)

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 Website, 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 definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 ☒

The aggregate market value of the Common Stock held by non-affiliates of the registrant, based on the closing price on June 30, 2010, as reported by the NASDAQ Global Select Market was approximately $2,020,812,000.

The number of shares outstanding of the issuer's common stock, par value $0.01 per share, as of February 18, 2011, was 57,753,901.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the registrant's 2011 annual meeting of shareholders scheduled to be held on June 29, 2011, are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

United Therapeutics Corporation is a biotechnology company focused on the development and commercialization of unique products to address the unmet medical needs of patients with chronic and life-threatening conditions.

Our key therapeutic products and product candidates are:

- *Prostacyclin Analogues.* Prostacyclin analogues are stable synthetic forms of prostacyclin, an important molecule produced by the body that has powerful effects on blood vessel health and function. Our lead product is Remodulin® (treprostinil) Injection (Remodulin) to be administered subcutaneously or intravenously for the treatment of pulmonary arterial hypertension (PAH). The United States Food and Drug Administration (FDA) initially approved Remodulin in 2002 for subcutaneous (under the skin) administration. Subsequently, the FDA broadened its approval of Remodulin for intravenous (in the vein) use and for the treatment of patients who require transition from Flolan®. In addition to the United States, Remodulin is approved in many other countries, primarily for subcutaneous use. In July 2009, the FDA approved Tyvaso® (treprostinil) Inhalation Solution (Tyvaso), an inhaled prostacyclin therapy for the treatment of PAH. We commenced commercial sales of Tyvaso in the third quarter of 2009. Our oral tablet of treprostinil diethanolamine is in the later stages of development. Our subsidiary, Lung Rx, LLC (Lung Rx), is separately developing modified release beraprost (beraprost-MR), another type of oral prostacyclin analogue, for the treatment of PAH;

- *Phosphodiesterase Type 5 (PDE-5) Inhibitor.* PDE-5 inhibitors act to inhibit the degradation of cyclic guanosine monophosphate (cGMP) in cells. cGMP is activated by nitric oxide (NO) to signal relaxation of vascular smooth muscle. Our PDE-5 inhibitor product is Adcirca® (tadalafil) tablets (Adcirca), a once-daily oral therapy for the treatment of PAH. We acquired certain exclusive commercialization rights to Adcirca from Eli Lilly and Company (Lilly) in 2008. In May 2009, the FDA approved Adcirca for the treatment of PAH. We commenced commercial sales of Adcirca in the third quarter of 2009;

- *Monoclonal Antibodies (MAb).* MAb act by targeting tumor-associated antigens on cancer cells to activate a patient's immune system against the cancer cells. We are developing the antibody Ch14.18 MAb for the treatment of neuroblastoma, under an agreement with the National Cancer Institute. We are also developing another antibody, 8H9 MAb, for the treatment of metastatic brain cancer, under an agreement with Memorial Sloan-Kettering Cancer Center; and

- *Glycobiology Antiviral Agents.* Glycobiology antiviral agents are a novel class of small, sugar-like molecules that have shown pre-clinical indications of efficacy against a broad range of viruses.

We devote most of our research and development resources to developing these key products and product candidates.

We generate revenues primarily from the sale of Remodulin, Tyvaso and Adcirca (which we refer to as our commercial products). Our sales and marketing staff supports the availability of our commercial products in the countries in which they are approved. These efforts are supplemented by our specialty pharmaceutical distributors in the United States and our other distributors internationally.

United Therapeutics was incorporated in Delaware in June 1996. Our principal executive offices are located at 1040 Spring Street, Silver Spring, Maryland 20910. We also maintain executive offices at 55 T.W. Alexander Drive, Research Triangle Park, North Carolina 27709.

Unless the context requires otherwise or unless otherwise noted, all references in this Annual Report on Form 10-K to "United Therapeutics" and to the "company", "we", "us" or "our" are to United Therapeutics Corporation and its subsidiaries.

Our Products

Our product portfolio includes the following as of February 15, 2011:

Product	Mode of Delivery	Indication/Market	Current Status	Our Territory
Remodulin	Continuous subcutaneous	Pulmonary arterial hypertension	Commercial in the U.S., most of Europe*, Argentina, Canada, Chile, Israel, Mexico, Peru, Saudi Arabia and South Korea	Worldwide
Remodulin	Continuous intravenous	Pulmonary arterial hypertension	Commercial in the U.S., Argentina, Canada, Israel, Mexico, Peru, Saudi Arabia, South Korea and Switzerland	Worldwide
Tyvaso	Inhaled	Pulmonary arterial hypertension	Commercial in the U.S.	Worldwide
Adcirca (tadalafil) Tablets	Oral	Pulmonary hypertension	Commercial in the U.S. and Puerto Rico	United States/Puerto Rico
CardioPAL® SAVI and Decipher Monitors**	Telemedicine	Cardiac arrhythmias and ischemic heart disease	Commercial in the U.S.	Worldwide
Oral Treprostinil (UT-15C)	Oral	Pulmonary arterial hypertension	Phase III	Worldwide
Ch14.18 MAb	Intravenous	Neuroblastoma	Phase III	Worldwide
Beraprost-MR	Oral	Pulmonary arterial hypertension	Phase II	North America/Europe
Oral Treprostinil	Oral	Peripheral vascular disease	Phase II	Worldwide
8H9 MAb	Intravenous	Metastatic brain cancer	Phase I	Worldwide
IW001	Oral	Idiopathic pulmonary fibrosis and primary graft dysfunction	Phase I	Worldwide
Miglustat	Oral	Hepatitis C	Pre-Clinical	Worldwide
Other Glycobiology Antiviral Agents	Oral	Broad-spectrum agents against viral infectious diseases	Pre-Clinical	Worldwide

* We have obtained approval in 28 member countries of the European Economic Area (EEA), as well as in other European countries that are not members of the EEA. We have received formal approval letters and pricing approval in most of these countries.

** On February 7, 2011 we entered into an agreement to sell Medicomp, Inc., our telemedicine subsidiary, to a group of private investors, which is expected to close in March or April 2011, assuming timely receipt of regulatory approvals and satisfaction of other closing conditions. For a description of the transaction, see the section below entitled *Products to Provide Telemedicine Services for Cardiac Arrhythmias and Ischemic Heart Disease* .

Products to Treat Cardiopulmonary Diseases

Pulmonary Arterial Hypertension

PAH is a life-threatening disease that affects the blood vessels in the lungs and is characterized by increased pressure in the pulmonary arteries, which are the blood vessels leading from the heart to the lungs. The elevated pressure in the pulmonary arteries strains the right side of the heart as it pumps blood to the lungs. This eventually leads to right heart failure and, ultimately, death. PAH is characterized by structural changes in blood vessel walls, aggregation of platelets and alteration of smooth muscle cell function. It is estimated that PAH affects between 100,000 and 200,000 individuals worldwide. In recent years, as awareness of PAH has grown, we have seen an increase in the number of people diagnosed with the disease. However, due to the rarity of the disease and the complexity of diagnosing it, only a small fraction of patients with PAH are being treated. There is scientific interest in identifying easier, less invasive methods of diagnosing PAH. If this research is successful, more patients could be diagnosed at an earlier stage of the disease.

Currently, treatment of PAH focuses on three distinct molecular pathways that have been implicated in the disease process: the prostacyclin pathway, the nitric oxide (NO) pathway, and the endothelin (ET) pathway. The three classes of drugs that target these three pathways are:

- *Prostacyclin Analogues.* Patients with PAH have been shown to have reduced levels of prostacyclin, a naturally occurring substance that has the effect of relaxing the pulmonary blood vessels, preventing platelet aggregation, and inhibiting the proliferation of smooth muscle cells in the pulmonary vessels. Therefore, drugs that mimic the action of prostacyclin, known as prostacyclin analogues, are established PAH treatments.

- *PDE-5 Inhibitors.* Patients with PAH have also been shown to have reduced levels of the enzyme responsible for producing NO, a naturally occurring substance in the body that causes relaxation of the pulmonary blood vessels. NO produces this effect by increasing intracellular levels of an intermediary known as cyclic guanosine monophosphate (cGMP). Therefore, another established therapeutic approach has been to inhibit the degradation of cGMP, using drugs that are known as PDE-5 inhibitors.

- *Endothelin Receptor Antagonists.* PAH patients have also been shown to have elevated levels of endothelin-1, a naturally occurring substance in the body that causes constriction and structural changes of the pulmonary blood vessels. Therefore, another established therapeutic approach has been to block the action of endothelin with drugs that are known as endothelin receptor antagonists (ETRAs).

Because any or all of the three pathways may be therapeutic targets in a patient, these three classes of drugs are used alone or in combination to treat patients with PAH. We currently market drugs in two of these three classes. Remodulin and Tyvaso are prostacyclin analogues, and Adcirca is a PDE-5 inhibitor.

Remodulin

Our lead product for treating PAH is Remodulin (treprostinil) Injection, the main ingredient of which is a prostacyclin analogue known as treprostinil. We sell Remodulin to our specialty pharmaceutical distributors in the United States and to our international distributors at a transfer price set by us. We recognized approximately $403.6 million, $331.6 million and $269.7 million in Remodulin revenues, representing 67%, 90% and 96% of our net revenues for the years ended December 31, 2010, 2009 and 2008, respectively. In May 2002, Remodulin was approved by the FDA as a continuous subcutaneous infusion for the treatment of PAH in patients with New York Heart Association (NYHA) Class II-IV (moderate to severe) symptoms. In November 2004, the FDA expanded its approval to permit continuous intravenous infusion of Remodulin for patients who cannot tolerate subcutaneous

infusion. In March 2006, the FDA expanded its approval to include transition of patients to Remodulin from Flolan® (epoprostenol), the first FDA-approved prostacyclin therapy for PAH. In January 2007, the results of a prospective, open-label study demonstrated that stable patients with PAH can be safely transitioned from Flolan to intravenous Remodulin using a rapid switch protocol.

Outside of the United States, Remodulin is also approved as a continuous subcutaneous infusion treatment for various forms of PAH in 36 countries and as a continuous intravenous infusion treatment for various forms of PAH in seven countries. Applications for approval of both subcutaneous and intravenous Remodulin are under review in other countries. We continue to work toward commercializing Remodulin in new territories, including Japan and China.

Flolan is delivered continuously through a surgically implanted intravenous catheter connected to an external pump. Flolan is approved for the treatment of patients with certain subsets of late-stage PAH. Generic formulations of Flolan are also available. We believe subcutaneous Remodulin provides patients with a less invasive alternative to Flolan and its equivalents. In contrast to Flolan, Remodulin is stable at room temperature and lasts significantly longer inside the human body. These attributes allow for potentially safer and more convenient drug delivery to patients. Unlike Flolan, Remodulin can be delivered by subcutaneous infusion with a pager-sized miniature pump. Subcutaneous delivery of Remodulin also eliminates the risk of central venous catheter infection and the hospitalization required to begin intravenous infusion. Remodulin's extended presence in the body may also reduce the risk of rebound PAH, and possibly death, if treatment is abruptly interrupted. The stability of Remodulin also allows it to be packaged as an aqueous solution, so patients do not have to mix the drug, as they do with Flolan. Remodulin can be continuously infused for up to 48 hours before refilling the infusion pump, unlike Flolan, which must be mixed and refilled every 24 hours. Treprostinil, the active ingredient in Remodulin, is highly soluble in an aqueous solution, which enables us to manufacture Remodulin in highly concentrated solutions. This allows therapeutic concentrations of Remodulin to be delivered at low flow rates via miniaturized infusion pumps for both subcutaneous and intravenous infusion. Lastly, Remodulin does not require the patient to keep the drug cool during infusion. This eliminates the need for cooling packs or refrigeration to keep it stable, as is required with Flolan due to Flolan's chemical instability at room temperature.

In April 2008, Teva Pharmaceuticals Industries Ltd. (Teva) announced that the FDA approved its version of generic epoprostenol for the treatment of PAH, which has all of the attributes of Flolan discussed above. In June 2008, the FDA approved a generic version of Flolan, developed by GeneraMedix, Inc. (GeneraMedix), which is stable at room temperature but shares all of Flolan's other negative attributes including risk of central venous catheter infection, required hospitalization at the start of treatment, short half-life (which increases risk of rebound PAH), mixing requirements, greater frequency of pump refills and larger pump size. In February 2009, GeneraMedix licensed the commercial rights for its generic epoprostenol to Actelion Pharmaceuticals Ltd (Actelion), marketed as Veletri®. Actelion also markets Tracleer®, an ETRA, and Ventavis®, an inhaled prostacyclin, for the treatment of PAH.

There are noteworthy adverse events associated with Remodulin. When infused subcutaneously, Remodulin causes varying degrees of infusion site pain and reaction (redness and swelling) in most patients. Patients who cannot tolerate the site pain related to use of subcutaneous Remodulin may instead use intravenous Remodulin. Intravenous Remodulin is delivered continuously by an external pump through a surgically implanted central venous catheter, similar to Flolan, Veletri and generic epoprostenol. When delivered intravenously, Remodulin bears the risk of a serious bloodstream infection known as sepsis, as do Flolan, Veletri and generic epoprostenol.

FDA Approval of Subcutaneous and Intravenous Remodulin

In May 2002, the FDA approved Remodulin as a continuous subcutaneous infusion for the treatment of PAH in patients with NYHA class II-IV symptoms to diminish symptoms associated with exercise. Remodulin is approved for all types of PAH and is the only prostacyclin analogue approved for patients with NYHA class II-IV symptoms.

In November 2004, based on data establishing intravenous Remodulin's bioequivalence with commercial subcutaneous Remodulin, the FDA approved intravenous Remodulin for those not able to tolerate subcutaneous infusion.

International Regulatory Review of Subcutaneous and Intravenous Remodulin

Remodulin for subcutaneous use is approved in many countries throughout the world. We used the mutual recognition process, described more fully in *Governmental Regulation* , to obtain approval of subcutaneous Remodulin in most countries in the European Union (EU). The mutual recognition process for subcutaneous Remodulin was completed in August 2005, with positive decisions received from most EU member countries. We withdrew our applications in the Republic of Ireland (Ireland), Spain and the United Kingdom (UK) following a request for additional documentation from these countries, and we intend to resubmit some or all of the applications if and when we achieve EU approval for intravenous Remodulin. A license variation for intravenous Remodulin was resubmitted in mid-2010, once our compulsory five-year renewal application for subcutaneous Remodulin was approved. Our license variation is currently under review by our reference member state, France.

We sell (but do not market) Remodulin under the named-patient system in the EU member countries where Remodulin is not approved. Under the named-patient system, our distributors are permitted to import Remodulin into EU member countries for sale to hospitals for use in treating specifically approved patients.

Tyvaso

We commenced commercial sales of Tyvaso in September 2009. We sell Tyvaso at a discount from an average wholesale price recommended by us to the same specialty pharmaceutical distributors in the United States that distribute Remodulin. For the years ended December 31, 2010 and 2009, we recognized approximately $151.8 million and $20.3 million in Tyvaso revenues, representing 25% and 5%, respectively of our net revenues. We did not recognize any revenues from Tyvaso in 2008.

Currently, the only other FDA-approved inhaled prostacyclin analogue is Ventavis. Ventavis is marketed by Actelion in the United States and by Bayer Schering Pharma AG in Europe. The active ingredient in Ventavis, iloprost, has a half-life of approximately 20 to 30 minutes and can cause a decrease in systemic blood pressure if the drug is administered at too high a dose. Patients need to inhale Ventavis six to nine times per day via a nebulizer. According to its label, each Ventavis inhalation consists of 4 to 10 minutes of continuous inhalation via the nebulizer.

In contrast to iloprost, treprostinil (the active ingredient in Tyvaso) has a longer half-life and greater selectivity to the lungs. Tyvaso is administered four times a day, by inhaling up to nine breaths during each two-to-three-minute treatment session. Tyvaso is administered using the Tyvaso Inhalation System, an ultra-sonic nebulizer that provides a dose of Tyvaso on a breath-by-breath basis. In addition, a day's supply of Tyvaso is packaged in a single ampoule emptied into the nebulizer once a day. As a result, unlike the Ventavis nebulizer which requires cleaning after each use, the Tyvaso Inhalation System only needs to be cleaned once a day.

Tyvaso has been generally well tolerated in our trials, during which adverse events appeared to be similar to those previously reported for treprostinil or due to administration by inhalation. The most common adverse events were transient cough, headache, nausea, dizziness and flushing. We recently

completed an open-label study in the United States to investigate the clinical effects of switching patients from Ventavis to Tyvaso, in which improvements in patient quality of life were observed.

FDA Approval of Tyvaso

In June 2008, we submitted a New Drug Application (NDA) to obtain FDA approval to market Tyvaso for the treatment of PAH in the United States. On July 30, 2009, the FDA approved Tyvaso for the treatment of PAH using the Tyvaso Inhalation System. Tyvaso is indicated to increase walk distance in patients with NYHA Class III symptoms of PAH, which includes multiple etiologies such as idiopathic and familial PAH, as well as PAH associated with scleroderma and congenital heart disease.

In connection with the Tyvaso approval, we have agreed to a post-marketing requirement (PMR) and certain post-marketing commitments (PMCs). PMRs and PMCs are studies that sponsors conduct after FDA approval to gather additional information about a product's safety, efficacy, or optimal use. PMRs are required studies, whereas a sponsor voluntarily commits to conduct PMCs. We are required to provide the FDA annual updates on our PMR and PMCs. Failure to complete the studies or adhere to the timelines set by the FDA for the PMR could result in penalties, including fines or withdrawal of Tyvaso from the market, unless we are able to demonstrate good cause for not completing the studies or adhering to our timelines.

In accordance with our PMR, we recently commenced patient enrollment in a long-term observational study in the U.S. that will include 1,000 patient years of follow up in patients treated with Tyvaso, and 1,000 patient years of follow up in control patients receiving other PAH treatments. This study will allow us to continue to assess the safety of Tyvaso. We are currently required to submit the results of the study by December 15, 2013, but we have requested an extension of this timeline.

The PMCs require us to modify particular aspects of the Tyvaso Inhalation System. As part of these modifications, we agreed to perform a usability analysis incorporating the evaluation and prioritization of user-related risk followed by a human factors study. We submitted proposed device modifications to the FDA in accordance with the PMCs and completed the related human factors study. The FDA has requested further modifications to the device and a follow-up usability study once these additional modifications are complete. As a result of the request to make further modifications to the device and to perform a follow-up usability study, we have requested an extension to the original October 31, 2010 timeline for completion of the PMCs. Our request is under review by the FDA.

In June 2010, the FDA granted orphan-drug designation for Tyvaso. Such a designation, coupled with an approval of the product for the orphan indication, confers an exclusivity period during which the FDA may not approve any application to market the same drug for the same indication, except in limited circumstances.

We are also working with Medtronic, Inc. on demonstrating the safety of its Synchromed® II implantable infusion pump for intravenous Remodulin, and are planning to begin enrolling a clinical trial in April 2011. In Europe, another manufacturer's implantable pump is occasionally used to deliver intravenous Remodulin.

International Regulatory Review of Tyvaso

In April 2004, the European Medicines Agency (EMA) designated Tyvaso an orphan medicinal product for the treatment of both PAH and chronic thromboembolic pulmonary hypertension. The EMA orphan designation confers a ten-year exclusivity period commencing with marketing approval. We filed a Marketing Authorization Application (MAA) in December 2008 for Tyvaso and the Tyvaso Inhalation System with the EMA using the centralized filing process. See *Governmental Regulation* below for further discussion on the centralized filing process for the EU. In February 2010, we withdrew our MAA from consideration by the EMA due to the EMA's major objection related to

findings of non-compliance with good clinical practice (GCP) at two clinical sites. The EMA stated that these findings would preclude a recommendation for approval of Tyvaso in the EU. The EMA had no major objections at the time of withdrawal related to the safety or efficacy of Tyvaso. We are currently working with the EMA on the design of another study acceptable for filing of an MAA in Europe.

Adcirca

We began commercial sales of Adcirca in July 2009. Adcirca is a PDE-5 inhibitor, the active pharmaceutical ingredient of which is tadalafil. Tadalafil is also the active pharmaceutical ingredient in Cialis®, which is marketed by Lilly for the treatment of erectile dysfunction. We acquired the commercial rights to Adcirca for the treatment of PAH in the U.S. from Lilly in November 2008. We sell Adcirca at a discount from an average wholesale price to pharmaceutical wholesalers. For the years ended December 31, 2010 and 2009, we recognized approximately $36.3 million and $5.8 million in Adcirca revenues, representing 6% and 2%, respectively, of our net revenues. We did not recognize any revenues from Adcirca in 2008.

Patients with PAH have been shown to have reduced levels of the enzyme responsible for producing NO, a naturally occurring substance in the body that has the effect of relaxing vascular smooth muscle cells. Impaired blood vessel relaxation in penile tissue is also a cause of erectile dysfunction. NO works to relax pulmonary blood vessels by increasing intracellular levels of an intermediary known as cyclic GMP. Because cyclic GMP is degraded by PDE-5, an established therapeutic approach in the treatment of PAH is to use PDE-5 inhibitors to increase levels of cGMP in blood vessels and improve cardiopulmonary function in PAH patients.

Prior to the approval of Adcirca, Revatio, which is marketed by Pfizer Inc. (Pfizer) was the only PDE-5 inhibitor approved for the treatment of PAH. Sildenafil, the active ingredient in Revatio, is also the active ingredient in Viagra®, which is marketed by Pfizer for the treatment of erectile dysfunction. Revatio is dosed three times daily; in contrast, patients take Adcirca only once daily.

FDA Approval of Adcirca

In May 2009, the FDA approved Adcirca, with a recommended dose of 40 mg, making it the first once-daily PDE-5 inhibitor for the treatment of PAH. Adcirca is indicated to improve exercise ability in World Health Organization Group I PAH patients, which encompasses patients with multiple forms of PAH including etiologies such as idiopathic and familial PAH as well as PAH associated with collagen vascular disease and congenital heart disease.

Commercial Rights to Adcirca

In December 2008, we completed the transactions contemplated by several agreements we entered into with Lilly and one of its subsidiaries in November 2008, including a license agreement, a manufacturing and supply agreement and a stock purchase agreement. Pursuant to the license agreement, Lilly granted us an exclusive license for the right to develop, market, promote and commercialize Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico. Pursuant to the manufacturing and supply agreement, Lilly agreed to manufacture Adcirca and distribute it on our behalf via its wholesaler network, in the same manner that it distributes its own pharmaceutical products. In December 2008, upon closing, we made a one-time, non-refundable, non-creditable payment of $125.0 million under the manufacturing and supply agreement and a one-time payment of $25.0 million under the license agreement. Pursuant to the stock purchase agreement, Lilly purchased 6,301,674 shares of our common stock (adjusted for our September 2009 two-for-one stock split) for an aggregate purchase price of $150.0 million. We issued those shares from treasury. See *Strategic Licenses and Relationships* below for more details on these agreements.

UT-15C Sustained Release (Oral Treprostinil)

Pulmonary Arterial Hypertension

We are developing a novel salt form of treprostinil for oral administration. We use technology licensed from Supernus Pharmaceuticals, Inc. (Supernus) to provide for sustained release of treprostinil in tablets. The tablet coating technology allows for treprostinil to be released into the body through an extremely small hole that is laser-drilled into the coating of each tablet. This technology releases treprostinil at a relatively even rate in the gastrointestinal tract. In 2005, a Phase I study of healthy volunteers demonstrated that the formulation and coating provided sustained blood concentrations of treprostinil for 8 to 10 hours following a single oral dose. This duration may allow for twice daily dosing. In July 2005, the EMA announced that oral treprostinil had been designated an orphan medicinal product for the treatment of PAH.

In December 2006, we commenced two Phase III multi-national, placebo-controlled clinical trials of oral treprostinil in patients with PAH to study both safety and efficacy. The FREEDOM-C trial was a 16-week study of patients on approved background therapy using a PDE-5 inhibitor, such as Revatio, or an ETRA, such as Tracleer, or a combination of both. The FREEDOM-M trial is a 12-week study of patients who are not on any background therapy. These trials have been conducted at a total of approximately 60 centers throughout the United States and the rest of the world.

We commenced both trials using a 1 mg tablet, but during the open-label extension trial (and associated pharmacokinetic substudy) we discovered that treprostinil concentrations were higher in PAH patients than in healthy individuals due to the difference in overall absorption, metabolism and excretion of the drug between these two populations. These differences led to a number of discontinuations by patients randomized to receive the drug due to tolerability-related side effects, including nausea, jaw-pain and headaches. As a result, we introduced a 0.5 mg tablet in July 2007 and a 0.25 mg tablet in April 2008 to enable more gradual dose titration in order to increase dosing to a tolerable level.

In November 2008, we announced that the FREEDOM-C trial did not meet statistical significance for its primary endpoint. Analysis suggests that the inability to dose titrate was a limiting factor that suppressed the overall treatment effect. Of the 174 patients who received the active drug, 25 patients discontinued due to an adverse event and 33 patients completed the trial, but were unable to titrate their doses above 1 mg twice-daily. Accordingly, 58 (33%) of the patients in the active treatment group were only able to maintain a suboptimal dose of 1 mg or less twice daily. Adverse events that led to discontinuation or inability to dose-escalate included headache, nausea and vomiting. Discontinuations were most common in patients who only had access to the 1 mg tablets during the study, which was the only tablet size available when the trial began. There were no discontinuations among patients who had access to 0.25 mg tablets. Analysis of other secondary efficacy measures demonstrated statistically significant improvements compared to placebo.

Enrollment in FREEDOM-M was initially closed on October 31, 2008, with 171 patients enrolled in the trial. We believe that the results of the FREEDOM-C clinical trial, particularly as they relate to treatment effect and dosing, support our continued development of oral treprostinil. Accordingly, based on our observations from the FREEDOM-C clinical trial relating to patient tolerability and tablet strength, we submitted a protocol amendment to the FDA in February 2009 to add patients to the ongoing FREEDOM-M trial. These additional patients were provided access to a lower-strength tablet (0.25 mg) when they began the trial and their doses were titrated in 0.25 mg increments in order to improve tolerability. In addition, our amendment to the FREEDOM-M protocol specified that the primary statistical analysis of the trial will include only those patients who had access to the 0.25 mg tablet when they started the trial. We hope these protocol amendments will achieve the following objectives: (1) to assess more accurately the effectiveness of oral treprostinil; (2) to improve patient tolerability of oral treprostinil so that an effective maintenance dose can be attained; and (3) to reduce

the rate of premature discontinuation due to adverse events. We believe the results of the protocol amendment will reflect the benefits of a favorable dosing regimen for oral treprostinil.

On January 31, 2011, we completed enrollment of the FREEDOM-M trial under the amended protocol with 349 patients, compared to target enrollment of 315 patients. We expect to unblind and announce preliminary analysis of the FREEDOM-M trial results in June 2011.

We commenced a second Phase III clinical trial, FREEDOM-C ^{2}, to continue studying dosage and efficacy of oral treprostinil in PAH patients on an approved background therapy. Enrollment in FREEDOM-C ^{2} began in June 2009. In FREEDOM-C ^{2}, patients are provided access to a lower strength tablet (0.25 mg) and doses are being titrated in 0.25 mg to 0.5 mg increments. We estimate that this trial will be fully-enrolled in April 2011, in which case we expect to unblind and announce preliminary analysis of the trial in September 2011.

We have also introduced a 0.125 mg tablet so that if necessary patients can begin treatment on an even lower strength tablet, and titrate doses in smaller increments, for both FREEDOM-C ^{2} and FREEDOM-M.

Currently, we do not anticipate filing an NDA for oral treprostinil until 2012.

There are currently no approved oral prostacyclin therapies available to patients in the United States or Europe. If we are successful in developing oral treprostinil, then patients and physicians may use prostacyclin earlier in the PAH disease continuum, which could increase demand for our PAH therapies.

Scleroderma

We are undertaking a Phase II study to investigate the effectiveness of oral treprostinil in reducing the frequency and severity of digital ulcers associated with scleroderma. Enrollment of this Phase II trial has been completed at 148 patients, and we expect to unblind and announce the preliminary results of this trial in the first half of 2011.

Beraprost-MR

In June 2000, we entered into an agreement with Toray Industries, Inc. (Toray) for the exclusive right to develop and market a sustained release formulation of beraprost (beraprost-SR) in the United States and Canada for the treatment of cardiovascular indications. Beraprost is a chemically stable, orally bioavailable prostacyclin analogue. Like natural prostacyclin and Remodulin, beraprost is believed to dilate blood vessels, prevent platelet aggregation and prevent proliferation of smooth muscle cells surrounding blood vessels.

In March 2007, Lung Rx entered into an amended agreement with Toray to assume and amend the rights and obligations of our June 2000 agreement with Toray concerning the commercialization of a modified release formulation of beraprost (beraprost-MR). The amended agreement grants us additional exclusive rights to commercialize beraprost-MR in Europe and broadens the treatment indication to include vascular disease (excluding renal disease), among other revisions.

In October 2007, Toray announced that beraprost-MR received regulatory approval in Japan for use in the treatment of PAH.

Idiopathic Pulmonary Fibrosis and Primary Graft Dysfunction—Collagen Type V

In February 2010, Lung Rx entered into a Development Agreement with ImmuneWorks, Inc. (ImmuneWorks) to develop IW001, a purified bovine (derived from cows) Type V Collagen oral solution for the treatment of Idiopathic Pulmonary Fibrosis (IPF), a progressive lung disease characterized by abnormal and excessive deposition of fibrotic tissue in the lung, and Primary Graft

Dysfunction (PGD), a type of organ rejection in patients receiving lung transplant. Human clinical testing of IW001 has commenced and a Phase I clinical trial in patients with IPF is ongoing. In connection with entering into the development program, Lung Rx was granted an option to acquire all of the issued and outstanding capital stock of ImmuneWorks. In November 2009, the FDA granted IW001 orphan drug exclusivity.

Products to Treat Cancer

Ch14.18 Antibody

In July 2010, we entered into a Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI) to collaborate on the late-stage development and regulatory agency submissions of Chimeric Monoclonal Antibody 14.18 (Ch14.18) for children with high-risk neuroblastoma and patients with other cancers. Neuroblastoma is a rare cancer of the sympathetic nervous system mainly affecting children. It is the most common extracranial, outside the skull, solid cancer in children and the most common cancer in infants. There are fewer than 1,000 new cases of neuroblastoma diagnosed each year. Ch14.18 is a chimeric, composed of a combination of mouse and human DNA, monoclonal antibody that induces antibody-dependent cell-mediated cytotoxicity, a mechanism of cell-mediated immunity whereby the immune system actively targets a cell that has been bound by specific antibodies. Under the terms of the CRADA, NCI will conduct a clinical trial in approximately 100 patients to define more clearly the safety and toxicity profile of Ch14.18 immunotherapy in children and we will develop the commercial manufacturing capability for the antibody. As part of developing our commercial manufacturing capability, we will need to demonstrate comparability of our Ch14.18 to the NCI-produced Ch14.18, which typically includes a series of analytical and bioanalytical assays and human pharmacokinetics. The NCI studies, including the previously-conducted Phase III study and all other studies supported by NCI, will be used in support of a Biologics License Application seeking FDA approval of Ch14.18 immunotherapy for the treatment of neuroblastoma.

3F8 and 8H9 Antibodies

In December 2007, we entered into two agreements with Memorial Sloan-Kettering Cancer Center (MSKCC) to license certain exclusive rights to two investigational monoclonal antibodies, 3F8 and 8H9, for the treatment of neuroblastoma and metastatic brain cancer, respectively. The monoclonal antibody 3F8 is a mouse IgG3 MAb, which is currently used in an investigational setting for the treatment of neuroblastoma. In August 2009, we began enrolling patients in a Phase II clinical trial of 3F8 for primary refractory neuroblastoma. However, after we entered into the CRADA relating to the Ch14.18 antibody with the NCI in 2010, we stopped further development of the 3F8 program in the fourth quarter of 2010 and returned the rights to 3F8 to MSKCC.

The monoclonal antibody 8H9 is a mouse IgG1 MAb that is highly reactive with a range of human solid tumors, including human brain cancers. The 8H9 antibody is in early investigational development for metastases that develop in the brain from the spread of cancers from other tissues in the body. Metastatic brain cancers are ten times more common than cancers that originate in the brain, and prognosis for patients with metastatic brain cancers is very poor. In the United States, more than 100,000 cases of metastatic brain cancer are diagnosed each year.

Products to Treat Infectious Diseases—Glycobiology Antiviral Agents

We have a license agreement with the Glycobiology Institute at the University of Oxford for the exclusive worldwide rights to certain patents relating to novel antiviral compounds. These glycobiology antiviral compounds are small molecules that may be effective as oral therapies for the treatment of hepatitis B and C infections, and may also be effective generally as broad-spectrum antiviral agents. Currently, many of these compounds are undergoing laboratory testing, and new compounds are also being synthesized.

Products to Provide Telemedicine Services for Cardiac Arrhythmias and Ischemic Heart Disease

CardioPAL SAVI and Decipher Recorders

We provide telemedicine monitoring services to detect cardiac arrhythmias and ischemic heart disease through our wholly-owned subsidiary Medicomp, Inc. (Medicomp), which we acquired in December 2000. Medicomp provides cardiac Holter monitoring (a 24-hour continuous test of heart rhythms), event monitoring (a test that typically extends to 30 days and looks for more elusive, intermittent arrhythmias) and other cardiac monitoring services remotely via telephone and the internet for hospitals, clinicians and other providers. Medicomp's services are delivered through its proprietary, miniaturized, digital Decipher Holter recorder/analyzer and its CardioPAL family of event monitors. Holter and event services and systems are marketed to physicians, hospitals, and managed care providers directly by Medicomp's sales force.

In March 2005, Medicomp received FDA market clearance for a p-wave analysis in addition to its artificial intelligence algorithm that runs on all of its newly manufactured CardioPAL devices. The p-wave is a diminutive but important portion of the electrocardiograph, the analysis of which helps determine if an arrhythmia was generated from the top chambers of the heart, the atria, or from the bottom chambers of the heart, the ventricles. This level of analysis leads to more reliable, automatic detection of arrhythmias, like atrial fibrillation. In October 2009, Medicomp received FDA approval for a wireless version of the CardioPAL SAVI event monitor, which was commercially launched in 2010.

On February 7, 2011, we entered into an agreement and plan of merger to sell Medicomp to a group of private investors including Medicomp's current president. As Medicomp does not represent a core component of our business, its sale will allow us to devote more resources to our principal operations. Upon closing of the merger, we will receive aggregate consideration of $14.9 million, consisting of approximately $3.0 million in cash and/or shares of United Therapeutics common stock held by the investors, and an $11.9 million, ten-year promissory note to be issued by Medicomp at closing. The promissory note will bear interest at 5.0 percent per annum. Closing of this transaction is subject to customary closing conditions and regulatory approvals, and assuming timely receipt of these approvals closing will occur in March or April 2011. Upon closing of the sale, we will acquire a 19.9 percent ownership interest in Medicomp in exchange for $1.0 million in cash and a reduction in the face value of the promissory note by approximately $2.0 million.

Additionally, we obtained royalty-free license rights to use Medicomp's proprietary detection technology to develop and commercialize a smart-phone based arrhythmia detection application for patients in the individual consumer market.

In connection with entering into the merger agreement, we recognized an impairment charge of $6.2 million representing the write-off of the carrying value of Medicomp's goodwill as of December 31, 2010. The impairment charge has been included in selling, general and administrative expenses for the year ended December 31, 2010. For further details, see *Note 20—Subsequent Event* to our consolidated financial statements included in this Annual Report on Form 10-K.

We recognized revenues of approximately $10.9 million, $11.0 million and $9.5 million from the sales of telemedicine products and services in 2010, 2009 and 2008, respectively.

Sales and Marketing

Our marketing strategy for our commercial products is to use our sales and marketing teams to reach out to the prescriber community to: (1) increase PAH awareness; (2) increase understanding of the progressive nature of PAH; and (3) increase awareness of our commercial products and how they fit into the various stages of disease progression and treatment. The sales and marketing team consisted of approximately 113 employees as of December 31, 2010. We have divided our domestic sales force into two teams. One team sells Remodulin and Tyvaso, while the other team sells Adcirca. The efforts

of our sales and marketing teams are supplemented in the United States by our specialty pharmaceutical distributors for Remodulin and Tyvaso. Our U.S. distributors are experienced in all aspects of using and administering chronic therapies, as well as patient care, the sale and distribution of these medicines and reimbursement from insurance companies and other payers. Outside of the United States, we have entered into distribution agreements for Remodulin covering many territories worldwide. We are working with our current distributors to expand Remodulin sales into other countries in which they have distribution rights.

Domestic Distribution of Commercial Products

Remodulin and Tyvaso

We have entered into separate, non-exclusive distribution agreements with CuraScript, Inc. (CuraScript), Accredo Health Group, Inc. (Accredo), and CVS Caremark (Caremark), our specialty pharmaceutical distributors in the United States, to market, promote and distribute both Remodulin and Tyvaso. Our Remodulin distribution agreements with Accredo and Caremark include automatic term renewals for additional one-year periods subject to notice of termination. Our Remodulin distribution agreement with CuraScript contains automatic term renewals for additional two-year periods subject to notice of termination. We entered into our distribution agreements for Tyvaso in August 2009. Our Tyvaso distribution agreements have one-year terms and renew automatically for additional one-year periods, unless terminated earlier. We update our distribution agreements from time to time to reflect changes in the regulatory environment. Such changes have not had a significant impact on our operations or our relationships with our distributors, and tend to occur in the ordinary course of business. For specific services requested by us, we compensate our distributors on a fee-for-service basis as set forth in our distribution agreements. If any of our distribution agreements expire or terminate, we may, under certain circumstances, be required to repurchase any unsold Remodulin or Tyvaso inventory held by our distributors. None of our current agreements grants our distributors the distribution rights for oral treprostinil in the United States.

Our specialty pharmaceutical distributors are responsible for assisting patients with obtaining reimbursement for the cost of Remodulin and Tyvaso and providing other support services. Under our distribution agreements, we sell Remodulin and Tyvaso to our distributors at a discount from an average wholesale price recommended by us. We have also established a patient assistance program in the United States, which provides eligible uninsured or under-insured patients with Remodulin and Tyvaso at no charge for a certain period of time.

In March and April of 2010, we increased the price on all concentrations of Remodulin sold to our U.S.-based and international distributors by 9.6 percent and 13.3 percent, respectively. In addition, we increased the price of Tyvaso by 4.9 percent in November 2010 to offset the increasing cost of manufacture and distribution. Our Remodulin distribution agreements do not allow our distributors to preorder inventory prior to a price increase. The impact of these price increases was a $25.9 million increase in our revenues, of which, $25.6 million related to sales of Remodulin for the year ended December 31, 2010.

Adcirca

We sell Adcirca to pharmaceutical wholesalers at a discount from an average wholesale price. Under our manufacturing and supply agreement with Lilly, (see *Strategic Licenses and Relationships* below for more details), Lilly has agreed to manufacture Adcirca and distribute it via its wholesaler network, which includes our specialty pharmaceutical distributors, in the same manner that it distributes its own pharmaceutical products. Under the terms of this agreement, we take title to Adcirca upon completion of its manufacture by Lilly. Adcirca is shipped to customers in accordance with purchase orders received by Lilly. When customers take delivery of Adcirca, Lilly sends an invoice and collects

the amount due from the customer subject to customary discounts and rebates, if any. Although Lilly provides these services on our behalf, we maintain the risk of loss as it pertains to inventory and non-payment of invoices. The manufacturing and supply agreement will continue in effect until expiration or termination of the license agreement. In January 2011, Lilly notified us of its decision to increase the wholesale price of Adcirca by approximately 9.0 percent.

International Distribution of Remodulin

We currently sell subcutaneous and intravenous Remodulin outside the United States to five distributors, each of which has exclusive distribution rights in one or more countries within Europe, Israel and the Middle East, Asia and South and Central America. We also distribute Remodulin in Canada through a specialty pharmaceutical wholesaler. In some of the European markets where we are not licensed to market Remodulin, we sell (but do not market) Remodulin under the named-patient system in which therapies are approved for individual patients by a national medical review board on a case-by-case basis. We are working on expanding our sales of subcutaneous and intravenous Remodulin into new territories outside of the United States through our existing distributors and by creating relationships with new distributors. In March 2007 and June 2010, we entered into distribution agreements with Mochida Pharmaceutical Co., Ltd. (Mochida) and Lee's Pharmaceutical (HK) Limited (Lee's Pharma) to obtain approval and exclusively distribute subcutaneous and intravenous Remodulin in Japan and China, respectively. Mochida is conducting an open-label Phase III study to support a New Drug Application for subcutaneous and intravenous Remodulin in Japan, which we anticipate will be filed during 2011. In addition, Grupo Ferrer Internacional, S.A. (Grupo Ferrer) has been actively working toward commencing commercial sales of Remodulin in Taiwan and recently launched Remodulin in South Korea. In order to commercialize Remodulin in certain countries, such as Japan, we may be required to conduct new clinical trials, called bridging studies, to demonstrate the efficacy and safety of a drug in their local patient population prior to approval. Therefore it could take several years before we can commence commercial sales in these countries.

Strategic Licenses and Relationships

Lilly Agreements Related to Adcirca

In December 2008, we completed the transactions contemplated by several agreements we entered into in November 2008 with Lilly, including a license agreement, a manufacturing and supply agreement, and a stock purchase agreement.

License Agreement. Under the terms of the license agreement, which is more fully described below in *Patents and Proprietary Rights—Lilly License* , Lilly granted us an exclusive license for the right to develop, market, promote and commercialize Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico.

If in the future Lilly seeks to grant rights to a third party to develop or commercialize Adcirca for the treatment of pulmonary hypertension in any other country (excluding Japan), the license agreement provides that we will have a right of first negotiation to acquire those rights.

The license agreement will continue in effect until the later of: (1) expiration, lapse, cancellation, abandonment or invalidation of the last claim to expire within a Lilly patent covering the commercialization of Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico; or (2) expiration of any government-conferred exclusivity rights to use Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico.

We have the right to terminate the license agreement upon six months written notice to Lilly. Either party may terminate the license agreement upon a material breach by the other party of it or the manufacturing and supply agreement, described below.

Manufacturing and Supply Agreement. Under the terms of the manufacturing and supply agreement, Lilly agreed to manufacture Adcirca and distribute it on our behalf via its pharmaceutical wholesaler network, in the same manner that it distributes its own pharmaceutical products. Under the terms of this agreement, we take title to Adcirca upon its manufacture by Lilly. Adcirca is shipped to customers, generally pharmaceutical wholesalers, in accordance with customers' purchase orders received by Lilly. Lilly invoices and collects amounts due from the customer subject to customary discounts and rebates, if any, and remits the collections to us. Although Lilly is providing these services on our behalf, we maintain the risk of loss as it pertains to inventory and nonpayment of sales invoices. The manufacturing and supply agreement will continue in effect until expiration or termination of the license agreement.

As consideration for Lilly's agreement to manufacture and supply Adcirca, we made a non-refundable payment to Lilly of $125.0 million in December 2008, which was expensed. We also agreed to purchase Adcirca at a fixed manufacturing cost. The agreement provides a mechanism, generally related to the increase in the national cost of pharmaceutical manufacturing, in which Lilly may raise the manufacturing cost of Adcirca.

Stock Purchase Agreement. Under the terms of the stock purchase agreement, on December 18, 2008, we issued 6,301,674 shares of our common stock to Lilly from treasury for an aggregate purchase price of $150.0 million, representing approximately 13.6% of the then-current outstanding shares of our common stock. The shares were issued at a price of $23.805 per share (adjusted for our September 2009 stock split), representing 90% of the average closing price of our common stock for the five trading days commencing on and including November 17, 2008. The weighted average acquisition price of the treasury stock issued was $26.02 per share. In September 2010, Lilly filed with the SEC a Form 4 (Statement of Changes in Beneficial Ownership) disclosing that it had entered into forward contracts to sell up to an aggregate of approximately 3.1 million shares of United Therapeutics common stock during 2011. According to the Form 4, the settlement dates for these forward contracts are July 7, 2011, October 5, 2011 and December 28, 2011.

Toray Amended License Agreement

In June 2000, we licensed from Toray the exclusive right to develop and market in the United States and Canada beraprost-SR, a chemically stable oral prostacyclin analogue in a sustained release formulation, for the treatment of cardiovascular indications. In March 2007, Lung Rx entered into an amended agreement with Toray to assume and amend the rights and obligations of our June 2000 agreement concerning the commercialization of beraprost-MR, a modified release formulation of beraprost. The amended agreement grants us additional exclusive rights to commercialize beraprost-MR in Europe and broadens the indication to vascular disease (excluding renal disease), among other revisions.

In accordance with the terms of the amended agreement, in March 2007 we issued 400,000 shares of our common stock to Toray in exchange for the cancellation of Toray's existing right under the original agreement to receive an option grant to purchase 1,000,000 shares of our common stock. Under the terms of the amended agreement, Toray has the right to request that we repurchase the 400,000 shares of our common stock upon 30 days prior written notice at the price of $27.205 per share (share based numbers and prices are adjusted for our September 2009 two-for-one stock split), which was the average closing price of our common stock between January 11, 2007, and February 23, 2007. In accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 815, *Derivatives Hedging* , and Accounting Series Release No. 268, *Presentation in Financial Statements of Redeemable Preferred Stocks* these shares of our common stock are reflected in mezzanine equity as common stock subject to repurchase valued at the repurchase price. If Toray requests that we repurchase these shares, then we will reclassify an amount equal to the repurchase price as a liability until the repurchase is completed.

The amended agreement also specifies that we make certain milestone payments to Toray during the development period and upon U.S. or EU regulatory approval. In September 2010, we entered into a supplement to our license agreement with Toray under which we agreed on the timing of two of the milestone payments under our existing agreement, in the amounts of $4.0 million and $5.0 million. All conditions relating to these milestone payments were satisfied in the fourth quarter of 2010; accordingly, during the quarter we paid Toray $4.0 million and recognized a $5.0 million liability and associated expense relating to the second milestone payment, which will be paid to Toray during the first quarter of 2011. Although the second milestone payment is not due until the first quarter of 2011, we accrued and expensed the payment in 2010 because the contingencies affecting this milestone payment were removed during the fourth quarter of 2010. These milestone payments were expensed as research and development when incurred since beraprost-MR has not demonstrated commercial feasibility.

NEBU-TEC Agreement of Sale and Transfer

In December 2008, we entered into an agreement with NEBU-TEC, to purchase its line of business relating to the manufacture of the Tyvaso Inhalation System for €5.0 million plus future milestone payments of up to €10.0 million (of which we have already paid €1.0 million). The transaction closed in September 2009 after we received FDA approval for Tyvaso. Under the terms of our agreement, we purchase the device components and manage the manufacturing process for the Tyvaso Inhalation System, and NEBU-TEC supplies the labor to assemble the devices. NEBU-TEC also granted us an option to acquire its next generation inhalation device, the SIM-Neb, which is currently under development.

ImmuneWorks Development Agreement

In February 2010, Lung Rx entered into a Development Agreement with ImmuneWorks, Inc. to develop IW001, a purified bovine (derived from cows) Type V Collagen oral solution for the treatment of Idiopathic Pulmonary Fibrosis (IPF), a progressive lung disease characterized by abnormal and excessive deposition of fibrotic tissue in the lung, and Primary Graft Dysfunction (PGD), a type of organ rejection in patients receiving lung transplant. Human clinical testing of IW001 has commenced and a Phase I clinical trial in patients with IPF is ongoing. In connection with entering into the development program, Lung Rx was granted an option to acquire all of the issued and outstanding capital stock of ImmuneWorks. In November 2009, the FDA granted IW001 orphan drug exclusivity.

Patents and Proprietary Rights

Our success depends in part on our ability to obtain and maintain patent protection for our products, preserve trade secrets, prevent third parties from infringing upon our proprietary rights and operate without infringing upon the proprietary rights of others in the United States and worldwide.

Glaxo Assignment

In January 1997, GlaxoSmithKline PLC (formerly Glaxo Wellcome, Inc.) (Glaxo) assigned to us all rights to the use of the stable prostacyclin analogue now known as treprostinil, the active ingredient in Remodulin, Tyvaso and our oral treprostinil tablet. The patent covering the use of treprostinil for PAH expires in the United States in October 2014 (as extended—see *Patent Term Extensions* below) and on various dates from May 2011 to June 2014 in three other countries.

Pfizer License

In December 1996, Pharmacia & Upjohn Company (now Pfizer) exclusively licensed to us certain patents, a patent application and know-how for the composition and production of treprostinil. We filed

our own patent application for a new synthesis and production method for treprostinil in October 1997 in the United States, Europe and various other countries. This application resulted in the grant of three patents in the United States, all of which expire in October 2017, as well as one patent in Europe and one patent in Japan, both expiring in October 2018. The application remains pending in other countries. We believe that our method of synthesis is a substantial improvement over the Pharmacia method, and we are using our unique synthesis method rather than the licensed Pharmacia method for the production of treprostinil. We continue to conduct research into new methods to synthesize treprostinil and have two registered patents in the United States that expire in 2021, as well as additional United States and foreign pending patent applications, relating to such methods.

Lilly License

In November 2008, we entered into a license agreement with Lilly pursuant to which Lilly granted us the exclusive right to develop, market, promote and commercialize Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico.

In exchange for the license, we paid Lilly a non-refundable fee of $25.0 million in December 2008, which was expensed since Adcirca had not yet received regulatory approval for commercial sales. We also agreed to pay Lilly royalties equal to 5 percent of our net sales of Adcirca in the United States and Puerto Rico, as a pass through of Lilly's third-party royalty obligations, for so long as Lilly is required to make such payments.

Lilly retained the exclusive rights to develop, manufacture and commercialize pharmaceutical products containing tadalafil, the active pharmaceutical ingredient in Adcirca, for the treatment of pulmonary hypertension outside of the United States and Puerto Rico and for the treatment of other diseases worldwide. Lilly will retain authority for all regulatory activities with respect to Adcirca, including retail pricing, which is expected to be at price parity with Cialis, Lilly's therapy for the treatment of erectile dysfunction, the active ingredient of which is also tadalafil.

If in the future Lilly seeks to grant rights to a third party to develop or commercialize Adcirca for the treatment of pulmonary hypertension in any other country (excluding Japan), the license agreement provides that we will have a right of first negotiation to acquire those rights.

The license agreement will continue in effect until the later of: (1) expiration, lapse, cancellation, abandonment or invalidation of the last claim to expire within a Lilly patent covering the commercialization of Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico; or (2) expiration of any government-conferred exclusivity rights to use Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico.

We have the right to terminate the license agreement upon six months written notice to Lilly. Either party may terminate upon a material breach by the other party of the license agreement or the manufacturing and supply agreement, described above.

Supernus Pharmaceutical License

In June 2006, we entered into an exclusive license agreement with Supernus to use certain of its technologies in our sustained release oral treprostinil tablet. Under the agreement, in return for the license, we will pay Supernus certain amounts upon the achievement of specified milestones based on the development of oral treprostinil and its commercial launch. In addition, the agreement provides that we will pay a royalty to Supernus based on net worldwide sales of the initial product. Any such royalty will be paid for approximately twelve years commencing with the first product sale and is subject to adjustments as specified in the agreement. Additional milestone payments and royalty payments may be due for the development and commercialization of other products developed using the technology granted under this license.

National Cancer Institute

In July 2010, we entered into a CRADA with NCI to collaborate on the late-stage development and regulatory agency submissions of Chimeric Monoclonal Antibody 14.18 (Ch14.18) for children with high-risk neuroblastoma and patients with other cancers. Neuroblastoma is a rare cancer of the sympathetic nervous system mainly affecting children. Under the terms of the CRADA, NCI will conduct a clinical trial in approximately 100 patients to define more clearly the safety and toxicity profile of Ch14.18 immunotherapy in children and we will develop the commercial manufacturing capability for the antibody. As part of developing our commercial manufacturing capability, we will need to demonstrate comparability of our Ch14.18 to the NCI-produced Ch14.18, which typically includes a series of analytical and bioanalytical assays and human pharmacokinetics. The NCI studies, including the previously-conducted Phase III study and all other studies supported by NCI will be used in support of a Biologics License Application seeking FDA approval of Ch14.18 immunotherapy for the treatment of neuroblastoma.

Memorial Sloan Kettering License

In December 2007, we entered into two agreements with MSKCC to exclusively license certain rights to two investigational monoclonal antibodies, 3F8 and 8H9, for the treatment of neuroblastoma and metastatic brain cancer, respectively. The monoclonal antibody 3F8 is a mouse IgG3 MAb, which is currently used in an investigational setting for the treatment of neuroblastoma. However, after we entered into the CRADA relating to the Ch14.18 antibody with the NCI in 2010, we stopped further development of the 3F8 program in the fourth quarter of 2010 and terminated our license with MSKCC relating to 3F8.

8H9 is also a mouse monoclonal antibody, but of the IgG1 subclass. The 8H9 antibody is highly reactive with a range of human solid tumors, including brain cancers. The 8H9 antibody is in early investigational development for the treatment of metastatic brain cancer.

Under the terms of our agreement, MSKCC granted us an exclusive license for the development and commercialization of the 8H9 antibody for cancer throughout the universe. In exchange for this exclusive license, we agreed to pay a royalty fee on net sales, with an annual minimum royalty payment. Milestone payments may also be due for the development and commercialization of 8H9 under our license.

Patent Term Extensions

In February 2005, we were granted a five-year patent term extension by the United States Patent and Trademark Office for a patent covering the method of treating PAH using Remodulin and Tyvaso. U.S. Patent Number 5,153,222, entitled "Method of Treating Pulmonary Hypertension with Benzidine Prostaglandins", was originally scheduled to expire on October 6, 2009. It will now expire on October 6, 2014. The five-year Hatch-Waxman Act extension is the maximum extension allowed under 35 U.S.C. §156. Additional patents covering other products to which we have rights may also be eligible for extensions of up to five years based upon patent term restoration procedures under the Hatch-Waxman Act in the United States, and under similar procedures in Europe. The FDA has granted Tyvaso an orphan designation, which will result in orphan exclusivity through July 2016.

Research & Development Expenditures

We are engaged in research and development and have incurred substantial expenses for these activities. These expenses generally include the cost of acquiring or inventing new technologies and products, as well as, new product development. Research and development expenses during 2010, 2009 and 2008 totaled approximately $166.8 million, $122.2 million and $239.2 million, respectively. See *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Major*

Research and Development Projects for additional information regarding expenditures related to major research and development projects.

Manufacturing and Supply

We make treprostinil, the active ingredient for Remodulin and Tyvaso, and treprostinil diethanolamine, the active ingredient for oral treprostinil, at our facility in Silver Spring, Maryland. In June 2009, the FDA approved our Silver Spring facility for commercial manufacturing of treprostinil. In November 2009, we also received European regulatory approval to manufacture treprostinil in our Silver Spring facility. In addition, we are currently developing the capacity to manufacture Remodulin and Tyvaso at our Silver Spring facility.

Baxter Healthcare Corporation (Baxter) manufactures Remodulin for us. In April 2009, we amended our agreement with Baxter to extend its term through 2013. In addition, we agreed that Remodulin will be manufactured using a different set of equipment and in larger quantities than the current manufacturing process. Since Baxter will make Remodulin on different equipment and in a larger production batch than the current process, we are required to have the new equipment and process approved by the FDA. We are currently conducting the validation testing for the new equipment and process. If the validation testing is successful, we anticipate filing for FDA approval of the new equipment and process during 2011. Baxter continues to manufacture Remodulin for us according to the process currently approved by the FDA. In January 2011, the FDA approved Hollister-Stier Laboratories, LLC as our second Remodulin manufacturer, in the larger quantities described above.

We are actively working towards obtaining approval to manufacture Remodulin and Tyvaso in our Silver Spring facility. Our goal is to become the primary manufacturer with contracted third-party manufacturers supplementing our manufacturing capacity. Also, although we maintain a three-year inventory of Remodulin and Tyvaso based on expected demand, we believe that having third parties approved to manufacture these products will mitigate some of our manufacturing risks, including the risk that we might not be able to produce sufficient quantities to meet patient demand.

We rely on Catalent Pharma Solutions, Inc. (formerly Cardinal Health, Inc.) (Catalent) to do the following: (1) conduct stability studies on Remodulin, (2) manufacture Tyvaso, (3) serve as a backup manufacturer for oral treprostinil, and (4) analyze other products we develop. We have begun manufacturing oral treprostinil tablets, which are being used in our clinical trials, in our manufacturing facility in Research Triangle Park, North Carolina.

Under our manufacturing and supply agreement with Lilly, Lilly manufactures and distributes Adcirca through its wholesaler network in the same manner that it distributes its own pharmaceutical products. Under the terms of this agreement, we take title to Adcirca upon completion of its manufacture by Lilly. Adcirca is shipped to customers, generally pharmaceutical wholesalers, in accordance with purchase orders received by Lilly. Although Lilly provides these services on our behalf, we maintain the risk of loss as it pertains to inventory and non-payment of invoices.

We manufacture the nebulizer used in our Tyvaso Inhalation System. While we purchase the components and manage the manufacturing process, NEBU-TEC supplies all the labor to manufacture the nebulizers. In December 2010, Minnetronix, Inc. (Minnetronix) was approved by the FDA as a second manufacturer of the Tyvaso Inhalation System.

Although we believe that other manufacturers and suppliers could provide similar products, services and materials, there are few companies that could replace these manufacturers and suppliers. A change in supplier or manufacturer could cause a delay in the manufacture, distribution and research efforts associated with our respective products or result in increased costs. See also *Item 1A—Risk Factors* included in this Annual Report on Form 10-K.

Competition

Many drug companies engage in research and development to commercialize products to treat cardiovascular and infectious diseases and cancer. For the treatment of PAH, we compete with many approved products in the United States and the rest of the world, including the following:

- *Flolan.* The first product approved by the FDA for treating PAH, Flolan, also known as epoprostenol, is a prostacyclin that is delivered by intravenous infusion. Glaxo began marketing Flolan in the United States in 1996. In 2006, Myogen, Inc. (Myogen) acquired the marketing rights from Glaxo for Flolan in the United States. In November 2006, Myogen was acquired by Gilead Sciences, Inc. (Gilead). In 2009, Gilead returned the rights to Flolan to Glaxo. The generic exclusivity period for Flolan expired in April 2007;

- *Generic epoprostenol.* In April 2008, Teva announced that the FDA approved its version of generic epoprostenol for the treatment of PAH. This is the first approved generic version of Flolan. In June 2008, GeneraMedix Inc. (GeneraMedix) received FDA approval for its version of epoprostenol, which is stable at room temperature. In February 2009, Actelion announced that it had entered into an agreement with GeneraMedix to acquire its epoprostenol product, marketed as Veletri, and began commercial sales in the second half of 2010;

- *Ventavis.* Approved in December 2004 in the United States and in September 2003 in Europe, Ventavis is an inhaled prostacyclin analogue. Ventavis was initially marketed by CoTherix, Inc. (CoTherix) in the United States and is marketed by Bayer Schering Pharma AG in Europe as Iloprost. In January 2007, CoTherix was acquired by Actelion, the manufacturer and distributor of Tracleer and distributor of Veletri;

- *Tracleer.* The first oral drug to be approved for PAH, Tracleer is also the first drug in its class, known as ETRAs. Tracleer was approved in December 2001 in the United States and in May 2002 in Europe. Tracleer is marketed worldwide by Actelion;

- *Revatio.* Approved in June 2005 in the United States, Revatio is also an oral therapy and is marketed by Pfizer. Revatio contains sildenafil, the same active ingredient as Viagra, and is the first PDE-5 inhibitor to be approved for PAH;

- *Letairis* ™. Approved in June 2007 in the United States, Letairis is an oral therapy marketed by Gilead for the treatment of PAH. Like Tracleer, Letairis is an ETRA. In April 2008, Glaxo received marketing authorization from the EMA for Letairis in Europe where it is known as Volibris®; and

- *Thelin* ®. Approved in August 2006 in the EU, Thelin is an oral therapy, which was developed and initially marketed in Europe by Encysive Pharmaceuticals Inc. (Encysive), for the treatment of PAH. Like Tracleer and Letairis, Thelin is an ETRA. In June 2008, Pfizer completed its acquisition of Encysive. During the fourth quarter of 2010, Pfizer discontinued selling Thelin due to safety concerns.

Due to their ease of use, oral therapies such as Adcirca, Revatio and Tracleer are generally considered first-line therapies for newly diagnosed NYHA Class II PAH patients, although Remodulin is also approved for NYHA Class II PAH patients and patients may improve to NYHA Class II status while on Remodulin even if Remodulin is started by patients in a more serious stage of the disease. Inhaled therapies like Tyvaso and Ventavis are generally used in NYHA Class III patients during the middle stages of the PAH disease treatment cycle, although Remodulin is also approved for NYHA Class III patients and is frequently used within this group. More complex infusion therapies such as Remodulin and Flolan are often used as later-stage therapies for NYHA Class IV patients, although many doctors start patients on these therapies prior to the advanced disease progression associated with NYHA Class IV.

The use of the available oral therapies and Tyvaso, either alone or in combination, could delay the need for infusion therapy for many patients. As a result, the success of other therapies in preventing disease progression affects our commercial products. Furthermore, the commercialization of generic forms of other approved PAH therapies may exert downward pressure on the pricing of our products. For further discussion on this risk, see *Item 1A—Risk Factors—We may not compete successfully with established and newly developed drugs or products, or the companies that develop and market them.*

We compete with the developers, manufacturers and distributors all of these products for customers, funding, access to licenses, personnel, third-party collaborators, product development and commercialization. Almost all of these companies have substantially greater financial, marketing, sales, distribution and technical resources, and more experience in research and development, product development and marketing, clinical trials and regulatory matters, than we have.

Governmental Regulation

Pharmaceutical Product Approval Process

The research, development, testing, manufacture, promotion, marketing, distribution, sampling, storage, recordkeeping, post-approval monitoring and reporting, and import and export of pharmaceutical products (drugs or biological products, hereinafter collectively drugs) are extensively regulated by governmental agencies in the United States and in other countries. Failure to comply with applicable U.S. requirements, pursuant to the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and other federal statutes and regulations, may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending new drug applications (NDAs) or biologics license applications (BLAs), warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, and criminal prosecution.

Satisfaction of FDA pre-market approval requirements typically takes many years, and the actual time required may vary substantially based upon the type, complexity and novelty of the product or disease. Drugs are subject to rigorous regulation by the FDA in the United States, the EMA in the EU and similar regulatory authorities in other countries. The steps ordinarily required before a new drug may be marketed in the United States, which are similar to steps required in most other countries, include:

- Preclinical laboratory tests, preclinical studies in animals, formulation studies and the submission to the FDA of an investigational new drug application (IND) for a new drug;
- Clinical studies in healthy volunteers;
- Clinical studies in patients to explore safety, efficacy and dose-response characteristics;
- Adequate and well-controlled clinical trials to establish the safety and efficacy of the drug for each indication;

- The submission of an NDA or BLA to the FDA; and
- FDA review and approval of the NDA or BLA prior to any commercial sale or shipment of the drug.

Preclinical tests include laboratory evaluation of product chemistry and formulation, as well as animal studies to explore toxicity and for proof-of-concept. The conduct of the preclinical tests must comply with federal regulations and requirements including good laboratory practices. In the United States, the results of preclinical testing are submitted to the FDA as part of an IND, along with other information including information about product chemistry, manufacturing and controls and a proposed clinical trial protocol. A 30-day review period after the filing of each IND is generally required prior to the commencement of clinical testing in humans. If the FDA has not commented on or questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin. At any time during this 30-day period or at any time thereafter, the FDA may halt proposed or ongoing clinical trials until it authorizes trials under specified terms. The IND process may be extremely costly and may substantially delay development of our products. Moreover, positive results of preclinical tests will not necessarily indicate positive results in clinical trials.

Clinical trials involve the administration of the investigational new drug or biologic to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted in compliance with federal regulations, good clinical practices (GCP) and protocols detailing the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND.

The FDA may order the temporary or permanent discontinuation of a clinical trial at any time or impose other sanctions if it believes that the clinical trial is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The study protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board (IRB) for approval. An IRB may also require the clinical trial at a site to be halted temporarily or permanently for failure to comply with the IRB's requirements, or may impose other conditions.

Clinical trials in support of an NDA or a BLA are typically conducted in three sequential phases, but the phases may overlap. During Phase I, the initial introduction of the drug into healthy human subjects or patients, the drug is tested to assess its effects on bodily functions and safety, including side effects associated with increasing doses. Phase II usually involves studies in a limited patient population to: assess the efficacy of the drug in specific, targeted indications; assess tolerance and optimal dosage; and identify possible adverse effects and safety risks. If a compound is found to be potentially effective and to have an acceptable safety profile in Phase II evaluations, then Phase III trials, also called pivotal studies, major studies or advanced clinical trials, are undertaken to further demonstrate clinical efficacy and to further test for safety within an expanded patient population at geographically diverse clinical study sites.

After successful completion of the required clinical testing, an NDA or a BLA is typically submitted to the FDA in the United States, and an MAA is typically submitted to the EMA in the EU. FDA approval of the NDA or BLA is required before marketing of the product may begin in the U.S. The NDA or BLA must include the results of all preclinical, clinical and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture, and controls. The cost of preparing and submitting an NDA or BLA is substantial. Under federal law, the submission of most NDAs and BLAs is additionally subject to a substantial application fee, currently exceeding $1.5 million, and the manufacturer and/or sponsor of an approved new drug application are also subject to annual product and establishment (manufacturing site) fees, currently exceeding $86,000 per product

and $497,000 per establishment. These fees are typically increased annually. However, the application, product, and establishment fees may be waived for orphan drugs if certain requirements are met.

The FDA has 60 days from its receipt of an NDA or a BLA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of new drug applications. Most such applications for non-priority drug products are reviewed within ten months while most applications for priority review drugs, that is, drugs that the FDA determines represent a significant improvement over existing therapy, are reviewed in six months. The review process may be extended by the FDA for three additional months to consider certain information or clarification regarding information already provided in the submission. The FDA may also refer applications for novel pharmaceutical products or pharmaceutical products which present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA or a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the product unless compliance with current good manufacturing practices is satisfactory and the NDA or BLA contains data that provide substantial evidence that the pharmaceutical product is safe and effective for the indication studied.

In the United States, if FDA evaluations of the application and the manufacturing facilities are favorable, the FDA may issue either an approval letter or a complete response letter. A complete response letter will usually contain a number of conditions that must be met in order to secure final approval of the application and authorization of commercial marketing of the drug for certain indications. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA or BLA, the FDA will issue an approval letter. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. To continue marketing our products after approval, applicable regulations require us to maintain a positive risk-benefit profile, maintain regulatory applications through periodic reports to regulatory authorities, fulfill pharmacovigilance requirements, maintain manufacturing facilities according to the FDA's current Good Manufacturing Practices requirements, and successfully complete regulatory agency inspections, among other requirements. Our manufacturing facilities are subject to continual review and periodic inspections. As a condition of NDA or BLA approval, the FDA may require substantial post-approval testing and surveillance to monitor the product's safety or efficacy and may impose other conditions, including labeling restrictions which can materially affect the potential market and profitability of the pharmaceutical product. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

Orphan Drugs

Under the Orphan Drug Act, an applicant can request the FDA to designate a product as an "orphan drug" in the United States if the drug is intended to treat an orphan, or rare, disease or condition. A disease or condition is considered orphan if it affects fewer than 200,000 people in the United States. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not shorten the duration of the regulatory review and approval process. The first NDA applicant to receive orphan drug designation and FDA approval of the drug for the designated disease is entitled to a seven-year exclusive marketing period in the U.S. for that product for that indication. During the seven-year

period, the FDA may not approve any other applications to market the same drug for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee and product and establishment user fees.

The FDA granted orphan designation for the active ingredient treprostinil for the treatment of PAH as a continuous infusion. However, this designation does not preclude us from seeking orphan drug designation for other formulations or routes of administration, such as oral or inhaled, of treprostinil to treat PAH, or for treprostinil used to treat other orphan diseases. In order for the FDA to grant orphan drug designation for other formulations or routes of administration of treprostinil to treat PAH, we must demonstrate that such new formulation or route of administration is clinically superior to the formulation or route of administration previously granted orphan designation.

Pediatric Information

Under the Pediatric Research Equity Act of 2007 (PREA), NDAs, or BLAs and supplements to NDAs or BLAs must contain data to assess the safety and effectiveness of the drug for the claimed indication(s) in all relevant pediatric subpopulations and to support dosing and administration for each such pediatric subpopulation. The FDA may grant deferrals for submission of data or full or partial waivers. Unless otherwise required by regulation, PREA does not apply to any drug for an indication for which orphan drug designation has been granted. The Best Pharmaceuticals For Children Act, or BPCA, provides sponsors with an additional six-month period of market exclusivity on all forms of the drug containing the active moiety, if the sponsor submits results of pediatric studies specifically requested by the FDA under BPCA. In order to receive the BPCA exclusivity, the drug must have other existing patent or exclusivity protection in effect.

Hatch-Waxman Act

The Hatch-Waxman Act was enacted to encourage competition between brand and generic pharmaceutical companies. It created a faster approval process for generic drugs, called the Abbreviated New Drug Application (ANDA), while it provided protection to brand pharmaceuticals by extending their patent protection. Upon approval of a drug through an NDA, applicants are required to submit to the FDA each patent that covers the applicant's product or FDA approved method of using this product. Those patents are then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential competitors in support of approval of an ANDA. Generally, an ANDA provides for marketing of a drug product that has the same active ingredients in the same strength(s), route of administration, and dosage form as the listed drug and has been shown through bioequivalence testing to be therapeutically equivalent to the listed drug. ANDA applicants are not required to conduct or submit results of pre-clinical or clinical tests to prove the safety or effectiveness of their drug product, other than the requirement for bioequivalence testing. Drugs approved in this way are commonly referred to as "generic equivalents" to the listed drug, and can often be substituted by pharmacists under prescriptions written for the original listed drug.

The ANDA applicant is required to certify to the FDA concerning any patents listed for the approved product in the FDA's Orange Book. Specifically, the applicant must certify that: (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or (iv) the listed patent is invalid or will not be infringed by the new product. A certification that the new product will not infringe the already approved product's listed patents or that such patents are invalid is called a Paragraph IV certification. If the applicant does not challenge the listed patents, the ANDA

application will not be approved until all the listed patents claiming the referenced product have expired. Alternatively, for a patent covering an approved method of use, an ANDA applicant may submit a statement to the FDA that the company is not seeking approval for the covered use.

If the ANDA applicant has submitted a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months, expiration of the patent, settlement of the lawsuit or a decision in the infringement case that is favorable to the ANDA applicant.

The ANDA application also will not be approved until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired. Federal law provides a period of five years following approval of a drug containing no previously approved active moiety, during which ANDAs for generic versions of those drugs cannot be submitted unless the submission contains a Paragraph IV challenge to a listed patent, in which case the submission may be made four years following the original product approval. Federal law provides for an exclusivity period of three years, during which the FDA cannot grant effective approval of an ANDA, following approval of a listed drug that contains previously approved active ingredients but is approved in a new dosage form, route of administration or combination, or for a new condition of use that was required to be supported by new clinical trials conducted by or for the sponsor. Both of the five-year and three-year exclusivity periods, as well as any unexpired patents listed in the Orange Book for the listed drug, can be extended by six months if the FDA grants the NDA sponsor a period of pediatric exclusivity based on studies submitted by the sponsor in response to a written request.

The Hatch-Waxman Act provides that patent terms may be extended to compensate for some of the patent life that is lost during the FDA regulatory review period for a product. This extension period would generally be one-half the time between the effective date of an IND and the submission date of an NDA, plus all of the time between the submission date of an NDA and its approval, subject to a maximum extension of five years. Similar patent term extensions are available under European laws. Following FDA approval, we filed a patent term extension application with the United States Patent and Trademark Office for our patent covering the method of treating PAH using Remodulin. The application was approved in February 2005 with the maximum patent term extension of five years, and the patent will expire on October 6, 2014.

Section 505(b)(2) New Drug Applications

Most drug products (other than biological products) obtain FDA marketing approval pursuant to an NDA or an ANDA. A third alternative is a special type of NDA, commonly referred to as a Section 505(b)(2) NDA, which enables the applicant to rely, in part, on the FDA's finding of safety and efficacy data for an existing product, or published literature, in support of its application.

Section 505(b)(2) NDAs often provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. The applicant may rely upon certain preclinical or clinical studies conducted for an approved product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all or some of the labeled indications for which the referenced product has been approved, as well as for any new indication for which the Section 505(b)(2) NDA applicant has submitted data.

To the extent that the Section 505(b)(2) applicant is relying on prior FDA findings of safety and efficacy, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would. Thus, approval of a Section 505(b)(2) NDA can be delayed until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the Section 505(b)(2) NDA applicant.

Other Regulatory Requirements

Once an NDA or a BLA is approved, a product will be subject to certain post-approval requirements. For instance, the FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet.

Pharmaceutical products may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new or supplemental NDA/BLA before the change can be implemented. An NDA/BLA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing supplements as it does in reviewing NDAs or BLAs.

Adverse event reporting and submission of periodic reports are required following FDA approval of an NDA or a BLA. The FDA also may require post-marketing testing, known as Phase 4 testing, risk minimization action plans, and surveillance to monitor the effects of an approved product or place conditions on an approval that could restrict the distribution or use of the product. In addition, quality control as well as drug manufacture, packaging, and labeling procedures must continue to conform to current good manufacturing practices (cGMPs) after approval. Manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA during which the agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with regulatory standards or if previously unrecognized problems are subsequently discovered.

Marketing Pharmaceutical Products Outside the United States

Outside of the United States, our ability to market our products is also contingent upon receiving marketing authorizations from regulatory authorities. The foreign regulatory approval process may include some or all of the risks associated with FDA approval set forth above. The requirements governing the conduct of clinical trials and marketing authorization vary widely from country to country. At present, foreign marketing authorizations are applied for at a national level, although, within Europe, procedures are available to companies wishing to market a product in more than one EU member state.

In the EU, marketing authorizations may be submitted through a centralized body or through a decentralized/mutual recognition or a national level process. The centralized procedure is mandatory for the approval of biotechnology products, high technology products and orphan products and is available at the applicant's option for other products. The centralized procedure provides for the grant

of a single marketing authorization that is valid in all EU member countries. The decentralized/mutual recognition procedure is available for all medicinal products that are not subject to the centralized procedure. The decentralized/mutual recognition procedure provides for mutual recognition of national approval decisions, changes existing procedures for national approvals and establishes procedures for coordinated EU actions on products, suspensions and withdrawals. Under this procedure, the holder of a national marketing authorization for which mutual recognition is sought may submit an application to one or more EU member countries, certify that the dossier is identical to that on which the first approval was based, or explain any differences and certify that identical dossiers are being submitted to all EU member countries for which recognition is sought. Within 90 days of receiving the application and assessment report, each EU member country must decide whether to recognize approval. The procedure encourages member states to work with applicants and other regulatory authorities to resolve disputes concerning mutual recognition. Lack of objection of a given country within 90 days automatically results in approval in that country. Following receipt of marketing authorization in an EU member country, the applicant is then usually (depending on the country) required to engage in pricing discussions and negotiations with a separate prescription pricing authority in that country. Commercial sales are only able to commence in a country once pricing approval has been received.

To secure European regulatory approvals for subcutaneous Remodulin for PAH, we used the mutual recognition process. Under the rules then applicable, centralized filing was not required and we perceived the decentralized/mutual recognition procedure to be the most effective means for approval. We filed our first MAA in France in February 2001. Review of our application was completed in 2005. As a result, Remodulin was approved in 23 member countries of the EU under the mutual recognition process described above. We withdrew applications in Spain, the United Kingdom and Ireland with the intent of resubmitting some or all of the applications when we achieve approval for intravenous Remodulin since these countries required additional information not required by the other European countries.

To secure European regulatory approval for Tyvaso, we submitted an MAA to the EMA via the centralized process in December 2008. Regulations in Europe have changed since we made our initial filing for Remodulin and all therapies for orphan diseases must now use the centralized process. In February 2010, we withdrew our MAA from consideration by the EMA due to the EMA's major objection related to findings of non-compliance with good clinical practice at two clinical sites. The EMA stated that these findings would preclude a recommendation for approval of Tyvaso in the EU. The EMA had no major objections at the time of withdrawal related to the safety or efficacy of Tyvaso.

U.S. Regulation of Medical Devices

Our medical devices are subject to regulation by government agencies, including the FDA. To varying degrees, each government agency requires us to comply with laws and regulations governing the developing, testing, manufacturing, labeling, marketing and distribution of our medical devices. Medical devices, unless expressly exempt by regulation, are required to be manufactured in conformance with the FDA's Quality System Regulations (QSRs). The QSRs are complex regulations that impose methods, procedures, and documentation requirements regarding the manufacturing and quality assurance activities of medical devices, including the design, testing, control, manufacturing, labeling, packaging, storage, and shipping of medical devices. We are also subject to periodic inspections by regulatory agencies to ensure that we meet all regulatory requirements. Upon an inspection, if the FDA were to conclude that we are not in compliance with applicable laws or regulations, or that any of our medical devices may pose unreasonable health risks, the FDA could require us to notify health professionals or others of these risks, order a recall, repair, replacement or refund of such device, or detain or seize adulterated or misbranded medical devices. The FDA may also impose operating restrictions, enjoin or restrain certain conduct resulting in violations of applicable law pertaining to medical devices and assess civil or criminal penalties.

To maintain approval of the Tyvaso Inhalation System in the United States, we must comply with the QSRs, and the FDA may also require additional patient data to support approval for this device.

Our telemedicine products are manufactured at contract facilities that must comply with the QSRs. These devices are designed and sold by Medicomp and have received marketing clearance from the FDA under Section 510(k) of the Food, Drug and Cosmetic Act.

Government Reimbursement of Pharmaceutical Products

In the United States, many independent third-party payers, as well as the Medicare and State Medicaid programs, reimburse buyers of our commercial products. Medicare is the federal program that provides health care benefits to senior citizens and certain disabled and chronically ill persons. Medicaid is the federal program administered by the states to provide health care benefits to certain indigent persons. The Medicare contractors who administer the program provide reimbursement for our pharmaceutical commercial products at a rate generally equal to 95% of the published average wholesale price as of October 1, 2003 (the Medicare Part B payment formula for drugs infused through durable medical equipment) or 106% of Average Sales Price (the Medicare Part B payment formula for drugs inhaled through durable medical equipment). The State Medicaid programs also generally provide reimbursement for our commercial products, at reimbursement rates that are below the published average wholesale price and that vary from state to state. In return for including our pharmaceutical commercial products in the Medicare and Medicaid programs, we have agreed to pay a rebate to State Medicaid agencies that provide reimbursement for those products. We have also agreed to sell our commercial products under contracts with the Department of Veterans Affairs, Department of Defense, Public Health Service and numerous other federal agencies as well as certain hospitals that are designated as 340B covered entities (entities designated by federal programs to receive drugs at discounted prices) at prices that are significantly below the price we charge to our specialty pharmaceutical distributors. These programs and contracts are highly regulated and impose restrictions on our business. Failure to comply with these regulations and restrictions could result in a loss of our ability to continue receiving reimbursement for our drugs. We estimate that between 35-50% of Remodulin, Tyvaso and Adcirca sales in the United States are reimbursed under the Medicare and Medicaid programs.

Anti-Kickback, False Claims Laws and The Prescription Drug Marketing Act

In addition to FDA restrictions on marketing pharmaceutical products, several other types of state and federal laws have been applied to restrict certain marketing practices in the pharmaceutical industry in recent years. These laws include anti-kickback statutes and false claims statutes. The federal healthcare program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Violations of the anti-kickback statute are punishable by imprisonment, criminal fines, civil monetary penalties and exclusion from participation in federal healthcare programs. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution or other regulatory sanctions, the exemptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exemption or safe harbor.

Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to have a false claim paid. Recently, several pharmaceutical and other

healthcare companies have been prosecuted under these laws for allegedly inflating drug prices they report to pricing services, which in turn were used by the government to set Medicare and Medicaid reimbursement rates, and for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. In addition, certain marketing practices, including off-label promotion, may also violate false claims laws. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines, and imprisonment.

As part of the sales and marketing process, pharmaceutical companies frequently provide samples of approved drugs to physicians. The Prescription Drug Marketing Act (PDMA), imposes requirements and limitations upon the provision of drug samples to physicians, and prohibits states from licensing distributors of prescription drugs unless the state licensing program meets certain federal guidelines that include minimum standards for storage, handling and record keeping. In addition, the PDMA sets forth civil and criminal penalties for violations.

Patient Protection and Affordable Care Act of 2010

The Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 (PPACA) is intended to expand healthcare coverage within the U.S.

Several provisions of the new law, which have varying effective dates, may affect us and will likely increase certain of our costs. For example, an increase in the Medicaid rebate rate from 15.1 percent to 23.1 percent is effective as of January 1, 2010, and the volume of rebated drugs has been expanded to include beneficiaries in Medicaid managed care organizations, effective as of March 23, 2010. The PPACA also imposes an annual fee on pharmaceutical manufacturers beginning in 2011, based on the manufacturer's sale of branded pharmaceuticals and biologics (excluding orphan drugs) to certain U.S. government programs during the preceding year; expands the 340B drug discount program (excluding orphan drugs) including the creation of new penalties for non-compliance; and includes a 50% discount on brand name drugs for Medicare Part D participants in the coverage gap, or "donut hole". The law also revised the definition of "average manufacturer price" for reporting purposes effective October 1, 2010, which could increase the amount of the Medicaid drug rebates paid to states.

The PPACA also created a regulatory pathway for the abbreviated approval of biological products that are demonstrated to be "biosimilar" or "interchangeable" with an FDA-approved biological product. In order to meet the standard of interchangeability, a sponsor must demonstrate that the biosimilar product can be expected to produce the same clinical result as the reference product, and for a product that is administered more than once, that the risk of switching between the reference product and biosimilar product is not greater than the risk of maintaining the patient on the reference product. Such biosimilars would reference biological products approved in the U.S. The law establishes a period of 12 years of data exclusivity for reference products, which protects the data in the original BLA by prohibiting sponsors of biosimilars from gaining FDA approval based in part on reference to data in the original BLA.

In addition, the PPACA imposes new reporting requirements for pharmaceutical and device manufacturers with regard to payments or other transfers of value made to physicians and teaching hospitals, effective March 30, 2013. In addition, pharmaceutical and device manufacturers will be required to report investment interests held by physicians and their immediate family members during the preceding calendar year. Such information is to be made publicly available by the Secretary of Health and Human Services in a searchable format beginning September 30, 2013. Failure to submit

required information may result in civil monetary penalties of up to $150,000 per year (and up to $1 million per year for "knowing failures") for all payments, transfers of value or ownership or investment interests not reported in an annual submission. Further, the PPACA amends the intent requirement of the federal anti-kickback and criminal health care fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the false claims laws.

State Pharmaceutical and Medical Device Marketing Laws

If not preempted by the PPACA, several states, such as Maine, Massachusetts, and Vermont, require pharmaceutical companies to report expenses relating to the marketing and promotion of pharmaceutical products and to report gifts and payments to individual physicians in those states. Other states prohibit various other marketing related activities. Still other states require the posting of information relating to clinical studies and their outcomes. In addition, certain states, such as California, Nevada, and Massachusetts, require pharmaceutical companies to implement compliance programs or marketing codes and several other states are considering similar proposals. Compliance with these laws is difficult and time consuming, and companies that do not comply with these state laws face civil penalties.

Employees

We had 520 employees as of February 5, 2011. We also maintain active independent contractor relationships with various individuals, most of whom have month-to-month or annual consulting agreements. We believe our employee relations are excellent.

Industry Segments and Geographic Areas

We operate two business segments: pharmaceuticals and telemedicine. We sell our products in the United States and throughout the rest of the world. The information required by Item 101(b) and 101(d) of Regulation S-K relating to financial information about industry segments and geographical areas, respectively, is contained in Note 19— *Segment Information* to our consolidated financial statements included in this Annual Report on Form 10-K.

Corporate Website

Our Internet website address is *http://www.unither.com* . Our filings on Form 10-K, Form 10-Q, Form 3, Form 4, Form 5, Form 8-K and any and all amendments thereto are available free of charge through this internet website as soon as reasonably practicable after they are filed or furnished to the Securities and Exchange Commission (SEC). They are also available through the SEC at *http://www.sec.gov/edgar/searchedgar/companysearch.html* .

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list, as of February 1, 2011, setting forth certain information regarding our executive officers. Each executive officer holds office until the first meeting of the Board of Directors after the annual meeting of shareholders, and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Each executive officer's employment will end pursuant to the terms of his or her employment contract. Each of the employment contracts generally provides for an initial term of service of five years, which five-year term may be renewed after each year for additional one-year periods.

Name	Age	Position
Martine A. Rothblatt, Ph.D., J.D., M.B.A.	56	Chairman, Chief Executive Officer and Director
Roger Jeffs, Ph.D.	49	President, Chief Operating Officer and Director
John M. Ferrari	56	Chief Financial Officer and Treasurer
Paul A. Mahon, J.D.	47	Executive Vice President, General Counsel and Corporate Secretary

Martine A. Rothblatt, Ph.D., J.D., M.B.A ., started United Therapeutics in 1996 and has served as Chairman and Chief Executive Officer since its inception. Prior to United Therapeutics, she founded and served as Chairman and CEO of Sirius Satellite Radio. She also led the International Bar Association's efforts to present the United Nations with a draft Human Genome Treaty. Her book, *Your Life or Mine: How Geoethics Can Resolve the Conflict Between Public and Private Interests In Xenotransplantation* , was published by Ashgate in 2004. She is a co-inventor on three of our patents pertaining to treprostinil.

Roger Jeffs, Ph.D., joined United Therapeutics in September 1998 as Director of Research, Development and Medical. Dr. Jeffs was promoted to Vice President of Research, Development and Medical in July 2000 and to President and Chief Operating Officer in January 2001. Prior to 1998, Dr. Jeffs worked at Amgen, Inc. as Manager of Clinical Affairs and Associate Director of Clinical Research from 1995 to 1998, where he served as the worldwide clinical leader of the Infectious Disease Program.

John M. Ferrari joined United Therapeutics in May 2001 as Controller. Mr. Ferrari was promoted to Vice President of Finance in December 2003 and to Vice President of Finance and Treasurer in June 2004. In August 2006, Mr. Ferrari was promoted to Chief Financial Officer and Treasurer. Prior to joining United Therapeutics, Mr. Ferrari served as Controller for Blackboard, Inc., from 1998 to 2001. Prior to his employment with Blackboard, Inc., Mr. Ferrari served in various senior financial management positions since beginning his accounting career in 1984.

Paul A. Mahon, J.D., has served as General Counsel and Corporate Secretary of United Therapeutics since its inception in 1996. In June 2001, Mr. Mahon joined United Therapeutics full-time as Senior Vice President, General Counsel and Corporate Secretary. In November 2003, Mr. Mahon was promoted to Executive Vice President, General Counsel and Corporate Secretary. Prior to June 2001, he served United Therapeutics, beginning with its formation in 1996, in his capacity as principal and managing partner of a law firm specializing in technology and media law.

ITEM 1A. RISK FACTORS

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 (the Exchange Act) and the Private Securities Litigation Reform Act of 1995 which are based on our beliefs and expectations as to future outcomes. These statements include, among others, statements relating to the following:

- Expectations of revenues, profitability, and cash flows;
- The sufficiency of current and future working capital for planned and unplanned needs including paying the holders of our Senior Convertible Notes the principal due when the Notes mature in October 2011;
- The ability to obtain financing or raise capital in the future;
- The value of our common stock;
- The maintenance of domestic and international regulatory approvals;
- The timing and outcome of clinical studies and regulatory filings, including in particular our FREEDOM-C ^{2} and FREEDOM-M trials and anticipated filing of an NDA for oral treprostinil;
- The expected likelihood and timing of regulatory approvals for drug candidates under development and the timing of related sales;
- The outcome of potential future regulatory actions, including audits and inspections, from the FDA and international regulatory agencies;
- The expected volume and timing of sales of Remodulin® (treprostinil) Injection (Remodulin), Adcirca® (tadalafil) tablets (Adcirca) and Tyvaso® (treprostinil) Inhalation Solution (Tyvaso) (collectively, referred to as our commercial products);
- The impact of competing therapies, including generic products, on sales of our commercial products;
- The expectation that we will be able to manufacture sufficient quantities and maintain adequate inventories of our commercial products;
- The adequacy of our intellectual property protections and expiration dates on our patents and licensed patents and products;
- The potential impact, if any, of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 on our business;
- The outcome of any litigation or arbitration proceedings in which we are or may become involved;
- Any statements preceded by, followed by or that include any form of the words "believe," "seek," "expect," "anticipate," "forecast," "project," "intend," "estimate," "should," "could," "may," "will," "plan," or similar expressions; and
- Other statements contained or incorporated by reference in this Annual Report on Form 10-K that are not historical facts.

The statements identified as forward-looking statements may exist in *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations* or elsewhere in this Annual Report on Form 10-K. These statements are subject to risks and uncertainties and our actual results may differ materially from anticipated results. Factors that may cause such differences include, but are

not limited to, those discussed below. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Risks Related to Our Business

We have a history of losses and may not maintain profitability.

We have experienced financial reporting periods in which we incurred net losses. While we believe we develop our annual cash-based operating budgets using reasonable assumptions and targets, unanticipated factors, including factors outside of our control, could affect our profitability and cause uneven quarterly and/or annual operating results.

We rely heavily on sales of Remodulin and Tyvaso to produce revenues.

During the twelve months ended December 31, 2010, net Remodulin and Tyvaso sales accounted for 67 percent and 25 percent of our total revenues, respectively. A wide variety of events, many of which are described in other risk factors below, could cause sales of Remodulin and/or Tyvaso to decline. For instance, if regulatory approvals for either of these products were withdrawn, we would be unable to sell the product and our business could be jeopardized. Any substantial change in the prescribing practices or dosing patterns of patients using Remodulin or Tyvaso due to combination therapy, side effects, adverse events, death or any other reasons, could decrease related revenues. In addition, we rely on third parties to produce, market, distribute and sell Remodulin and Tyvaso. The inability of any one of these third parties to perform these functions, or the failure of these parties to perform successfully, could negatively affect our revenues. We are also increasingly internalizing elements of the manufacturing process, and any failure to manage our internal manufacturing processes could result in a decrease in production and an inability to meet demand. Because we are highly dependent on sales of Remodulin and Tyvaso, any reduction in sales of either or both of these products would have a negative and possibly material adverse impact on our operations.

If our products fail in clinical trials, we will be unable to obtain or maintain FDA and international regulatory approvals and will be unable to sell those products.

To obtain regulatory approvals from the FDA and international regulatory agencies such as the EMA, we must conduct clinical trials demonstrating that our products are safe and effective. In the past, several of our product candidates failed or were discontinued at various stages in the development process. In addition, we may need to amend ongoing trials or the FDA and/or international regulatory agencies may require us to perform additional trials beyond those we planned. Such occurrences could result in significant delays and additional costs, and related clinical trials may be unsuccessful. In November 2008, we reported that our FREEDOM-C Phase III clinical trial of oral treprostinil did not achieve statistical significance for its primary endpoint. Because we have decided to amend the protocol for our current FREEDOM-M Phase III clinical trial and conduct a new Phase III clinical trial, FREEDOM-C ^{2}, we have experienced delays in completing our clinical trials for oral treprostinil and do not anticipate filing an NDA prior to 2012. As with all clinical trials, there is a risk that FREEDOM-M and FREEDOM-C ^{2} may not be successful. Upon filing an NDA, we could be subject to additional delays, if the FDA determines that it cannot approve the NDA as submitted. In such case, the FDA would issue a complete response letter, which would outline the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA would then issue an approval letter. We may fail to address any such deficiencies adequately, in which case we would be unable to obtain FDA approval to market a given product candidate.

The length of time that it takes for us to complete clinical trials and obtain regulatory approval for marketing varies by product, product use and country. Furthermore, we cannot predict with certainty the length of time it will take to complete necessary clinical trials or obtain regulatory approval of our future products.

Our clinical trials may be discontinued, delayed or disqualified for various reasons. These reasons include:

- The drug is ineffective, or physicians believe that the drug is ineffective;
- Patients do not enroll in our studies at the rate we expect;
- Ongoing or new clinical trials conducted by drug companies in addition to our own clinical trials reduce the number of patients available for our trials;
- Patients experience severe side effects during treatment;
- Other investigational or approved therapies are viewed as more effective or convenient by physicians or patients;
- Our clinical trial sites or our contracted clinical trial administrators may not adhere to trial protocols and required quality controls, particularly as clinical trials expand into new territories;
- Our trials do not comply with applicable regulations or guidelines;
- We do not pass inspections by regulatory agencies;
- Patients die during our trials because of an adverse event related to the trial drug, their disease is too advanced, or they experience medical problems unrelated to the drug being studied;
- Drug supplies are unavailable or unsuitable for use in our studies; and
- The results of preclinical testing cause delays in our trials.

In addition, the FDA and its international equivalents have substantial discretion over the approval process for pharmaceutical products. As such, these regulatory agencies may not agree that we have demonstrated the requisite level of product safety and efficacy to grant approval.

We may not compete successfully with established and newly developed drugs or products, or the companies that develop and market them.

We compete with well-established drug companies for, among other things, funding, licenses, expertise, personnel, clinical trial patients and investigators, consultants and third-party collaborators. We also compete with these companies for market share. Most of these competitors have substantially greater financial, marketing, manufacturing, sales, distribution and technical resources than we do. These competitors also have more experience in areas such as research and development, clinical trials, sales and marketing and regulatory matters than we do.

There are several treatments that compete with our commercial therapies. For the treatment of PAH, we compete with a number of approved products in the United States and worldwide, including the following: Flolan®, Ventavis®, Tracleer®, Revatio®, Letairis™, Veletri® and a generic intravenously administered product containing epoprostenol, the active ingredient in Flolan. Patients and doctors may perceive these competing products as safer, more effective, more convenient and/or less expensive than our therapies. Alternatively, doctors may reduce the prescribed doses of our products if they prescribe them as combination therapy with our competitors' products. In addition, certain competing products are less invasive than Remodulin and the use of these products may delay or prevent initiation of Remodulin therapy. Any of these circumstances may suppress our sales growth, or cause our revenues to decline.

Actelion, Gilead and Pfizer presently control the majority of the approved therapies for PAH in the United States. Each of these companies has achieved considerable influence over prescribers through the sales and marketing of their respective therapies and through market dominance in this therapeutic area. Furthermore, the future commercialization and introduction of new PAH therapies into the market could exert downward pressure on the pricing of our products and reduce our market share.

Discoveries or development of new products or technologies by others may make our products obsolete or seemingly inferior.

Other companies may discover or introduce new products that render all or some of our technologies and products obsolete or noncompetitive. Our commercial therapies may have to compete with numerous investigational products currently in development. In addition, alternative approaches to treating chronic diseases, such as gene therapy, may make our products obsolete or noncompetitive. Other investigational therapies for PAH could be used in combination with, or as a substitute for, our therapies. If this occurs, doctors may reduce or discontinue the use of our pharmaceutical products for their patients.

Sales of our products are subject to reimbursement from government agencies and other third parties. Pharmaceutical pricing and reimbursement pressures may cause our sales to suffer.

The commercial success of our products and services depends, in part, on the availability of reimbursements by governmental payers such as Medicare and Medicaid, and private insurance companies. Accordingly, our commercial success is tied to such third-party payers. In the United States, the European Union and other significant or potentially significant markets for our products, third-party payers are increasingly attempting to limit or regulate the price of medicinal products and services, and are frequently challenging the pricing of new and expensive drugs. Consequently, it may be difficult for our specialty pharmaceutical distributors or wholesalers to obtain reimbursement of our products from third-party payers. Alternatively, third-party payers may reduce the amount of reimbursement for our products based on changes in pricing of other therapies for PAH, including generic formulations of other approved therapies. If third-party payers do not approve our products for reimbursement, or limit reimbursements, patients could choose a competing product that is approved for reimbursement. Presently, most third-party payers, including Medicare and Medicaid, reimburse the cost of our commercial products. Our prostacyclin analogue products, Remodulin and Tyvaso, are expensive therapies. The Medicare Modernization Act (MMA) requires that we negotiate a new price for our commercial products with the Centers for Medicare and Medicaid Services. As a result of the staggered implementation of the MMA, our products have not yet been subject to its pricing provisions; however, future reimbursements could be subject to reduction. Furthermore, to the extent that private insurers or managed care programs follow any reduced Medicaid and Medicare coverage and payment developments, the negative impact on our business would be compounded. We are currently assessing the potential effect of the Patient Protection and Affordable Care Act and the related Health Care and Education Reconciliation Act of 2010 on our business. While we believe the short-term impact on our business of this legislation will not be material, we continue to monitor the developments of this legislation as many of its provisions are not yet effective and are subject to finalization.

In Europe, the success of our commercial products and future products depends largely on obtaining and maintaining government reimbursement. In many European countries patients are unlikely to use prescription drugs that are not reimbursed by their governments. Reimbursement policies may adversely affect our ability to sell our products on a profitable basis. In many markets outside the United States, governments control the prices of prescription pharmaceuticals, including through the implementation of reference pricing, price cuts, rebates, revenue-related taxes and profit

control, and expect prices of prescription pharmaceuticals to decline over the life of the product or as volumes increase.

Our manufacturing strategy exposes us to significant risks.

We must be able to produce sufficient quantities of our commercial products to satisfy demand. The process of manufacturing our products is difficult and complex, and currently involves a number of third parties. We produce treprostinil, the active ingredient in both Remodulin and Tyvaso, in our Silver Spring, Maryland facility using raw materials and advanced intermediate compounds supplied by vendors. Although we produce treprostinil, we outsource the manufacture of Remodulin to Baxter and Hollister-Stier. We also rely on Catalent to manufacture Tyvaso. We are in the process of developing the capability to manufacture Remodulin and Tyvaso at our own facilities. Currently, we manufacture oral treprostinil tablets for use in our clinical trials, but neither we nor our third-party vendors would be able to manufacture oral treprostinil on a commercial scale in the U.S. without FDA approval of a New Drug Application (NDA) for oral treprostinil or for international commercial sales without the corresponding international approvals.

As long as we utilize third-party vendors for significant portions of our manufacturing process, we will remain exposed to the risks described under the risk factor below titled *We rely in part on third parties to perform activities that are critical to our business. Our ability to generate commercial sales or conduct clinical trials could suffer if our third-party suppliers and service providers fail to perform.* In addition, while we expect our efforts to internalize additional manufacturing processes will increase our control over manufacturing, it will also subject us to risks as we engage in complex manufacturing processes for the first time. For example, Remodulin and Tyvaso must be produced in a sterile environment, and we have no experience with sterile manufacturing on a commercial scale.

Some of the products we are developing will involve even more complicated manufacturing processes than our current products. For example, the monoclonal antibodies we are developing are biologic products, which are inherently more difficult to manufacture than our current products and involve increased risk of viral and other contaminations.

Additional risks presented by our manufacturing strategy include:

- We and our third-party manufacturers are subject to the FDA's current Good Manufacturing Practices in the United States and similar regulatory standards internationally. While we have significant control over regulatory compliance with respect to our internal manufacturing processes, we do not exercise the same level of control over regulatory compliance by our third-party manufacturers;
- As we expand our manufacturing operations to include new elements of the manufacturing process or new products, we will need to design and implement processes and procedures to ensure compliance with applicable regulations;
- Even if we and our third-party manufacturers are in compliance with domestic and international drug manufacturing regulations, the sterility and quality of the products being manufactured could be substandard and, therefore, such products would be unavailable for sale or use;
- If we have to replace a third-party manufacturer with another manufacturer or our own manufacturing operations, the FDA and its international counterparts would require new testing and compliance inspections. Furthermore, a new manufacturer would have to be familiarized with the processes necessary to manufacture and commercially validate our products, as manufacturing our treprostinil-based products is complex. Any new third-party manufacturers and any new manufacturing process at our own facilities would need to be approved by the FDA and its international counterparts before being used to produce commercial supply of our products;

- We may be unable to contract with needed manufacturers on satisfactory terms or at all; and

- The supply of materials and components necessary to manufacture and package our products may become scarce or interrupted. Disruptions to the supply of these materials could delay the manufacture and subsequent sale of such products. Any products manufactured with substituted materials or components would be subject to approval from the FDA and international regulatory agencies before they could be sold. The timing of any such regulatory approval is difficult to predict.

Any of these factors could disrupt sales of our commercial products, delay clinical trials or commercialization of new products, result in product liability claims and product recalls, and entail higher costs.

We rely in part on third parties to perform activities that are critical to our business. Our ability to generate commercial sales or conduct clinical trials could suffer if our third-party suppliers and service providers fail to perform.

Frequently, we involve third parties to assist us in conducting clinical trials, obtaining regulatory approvals, and marketing and distributing our products, as we do not possess the internal capacity to perform all of these functions. Accordingly, the success of these third parties in performing their contractual obligations is critical to our operations.

We manufacture treprostinil with raw materials and advanced intermediate compounds supplied by vendors. The inability of our vendors to supply these raw materials and advanced intermediate compounds in the quantities we require could delay the manufacture of treprostinil for commercial use and for use in our clinical trials.

We rely on Baxter to manufacture Remodulin for us, and the FDA recently approved Hollister-Stier as a second manufacturer of Remodulin. We extended our contract with Baxter through 2013 and as part of that contract amendment, we agreed that Baxter will manufacture Remodulin in greater quantities using larger production equipment than under its current manufacturing process. This new manufacturing process and related equipment will require FDA and international approvals. Catalent manufactures Tyvaso for commercial use and also maintains the ability to manufacture oral treprostinil for us. In addition, Catalent conducts stability studies on Remodulin and Tyvaso for us and analyzes other products that we are developing. We are also evaluating alternative supply arrangements, including other third-party production arrangements and the production of Remodulin and Tyvaso in our combination office and laboratory facility in Silver Spring, Maryland. If we are unable to successfully implement these alternatives, we may not have sufficient inventory to meet future demand. Presently, we are producing oral treprostinil for clinical trials at our manufacturing facility in Research Triangle Park, North Carolina. However, our process to manufacture oral treprostinil has not been approved for commercial use by the FDA or international regulatory agencies, and we may encounter unforeseen obstacles in seeking regulatory approval.

NEBU-TEC retains many responsibilities related to the manufacture of the Tyvaso Inhalation System, which includes a nebulizer and related accessories. Although we manage the manufacturing process, NEBU-TEC supplies the labor. We rely on NEBU-TEC, as we do for any third-party contractor, to adhere to and maintain the manufacturing process in accordance with all applicable regulatory requirements. Any regulatory compliance problems encountered by NEBU-TEC related to the manufacture of the Tyvaso Inhalation System could adversely affect the sale of Tyvaso. Until the fourth quarter of 2010, when we received approval for Minnetronix to serve as a second manufacturer of the Tyvaso Inhalation System, the NEBU-TEC facility was the only facility currently approved for the manufacturing of the Tyvaso Inhalation System. If we are unable to manufacture or supply the Tyvaso Inhalation System in the quantities we require or if our suppliers are unable to supply sufficient parts

to manufacture the Tyvaso Inhalation System, it could delay, disrupt or prevent us from selling Tyvaso, which could impede our business and its projected growth.

We rely on Accredo, CuraScript, and Caremark to market, distribute and sell Remodulin and Tyvaso in the United States. These distributors are also partially responsible for negotiating reimbursements from third-party payers for the cost of our therapies. In March and April of 2010, we increased the price on all concentrations of Remodulin sold to our U.S.-based and international distributors by 9.6 percent and 13.3 percent, respectively. In addition, we increased the price of Tyvaso by 4.9 percent in November 2010. Our price increases may not be fully reimbursed by third-party payers. If our distributors do not achieve acceptable profit margins on our products, they may reduce or discontinue the sale of our products. Furthermore, if our domestic and international distributors devote fewer resources to selling our products or are unsuccessful in their sales efforts, our revenues may decline materially.

We rely on Lilly to manufacture and supply Adcirca for us, and we use Lilly's pharmaceutical wholesaler network to distribute Adcirca in the United States and Puerto Rico. If Lilly is unable to manufacture or supply Adcirca or its distribution network is disrupted, it could delay, disrupt or prevent us from selling Adcirca, which could slow down the growth of our business.

Although most of our current suppliers and service providers could eventually be replaced, a change in suppliers and/or service providers could interrupt the manufacture and distribution of our commercial products and our other products and services, and impede the progress of our clinical trials, commercial launch plans and related revenues. Interruptions in manufacturing could be significant given the length of time and complexity involved in obtaining necessary FDA and other regulatory approvals for alternative arrangements, through either third parties or internal manufacturing processes.

Our operations must comply with extensive laws and regulations in the U.S. and other countries, including FDA regulations. Failure to obtain approvals on a timely basis or to achieve continued compliance could delay, disrupt or prevent the commercialization of our products.

The products we develop must be approved for marketing and sale by regulatory agencies and, once approved, are subject to extensive regulation. The process of obtaining and maintaining regulatory approvals for new drugs is lengthy, expensive and uncertain. The manufacture, distribution, advertising and marketing of these products are also subject to extensive regulation. Any future product approvals we receive could be accompanied by significant restrictions on the use or marketing of the product. Product candidates may fail to receive marketing approval on a timely basis, or at all. If granted, product approvals can be withdrawn for failure to comply with regulatory requirements, such as the FDA's post-marketing requirement and post-marketing commitments for Tyvaso or upon the occurrence of adverse events subsequent to commercial introduction.

Discovery of previously unknown problems with our marketed products or problems with our manufacturing, regulatory, compliance, marketing or sales activities could result in regulatory restrictions on our products, including withdrawal of our products from the market. For example, in February 2010, we withdrew our MAA for Tyvaso as a result of findings by the EMA that certain of our clinical sites had failed to comply with Good Clinical Practices. If we fail to comply with applicable regulatory requirements, we could be subject to penalties that may consist of fines, suspension of regulatory approvals, product recalls, seizure of our products and/or criminal prosecution. In addition, our reputation could be harmed as a result of any such regulatory restrictions or actions and patients and physicians may not want to use our products even after we have resolved these issues that led to such regulatory action.

We are subject to ongoing regulatory review of our currently marketed products.

After any of our products receive regulatory approval, they remain subject to ongoing regulation, which can impact, among other things, product labeling, manufacturing practices, adverse event reporting, storage, distribution, advertising and promotion, and record keeping. If we do not comply with the applicable regulations, the range of possible sanctions includes issuance of adverse publicity, product recalls or seizures, fines, total or partial suspensions of production and/or distribution, suspension of marketing applications, and enforcement actions, including injunctions and civil or criminal prosecution. The FDA and comparable international regulatory agencies can withdraw a product's approval under some circumstances, such as the failure to comply with regulatory requirements or unexpected safety issues. Further, the FDA often requires post-marketing testing and surveillance to monitor the effects of approved products. The FDA and comparable international regulatory agencies may condition approval of our product candidates on the completion of such post-marketing clinical studies. These post-marketing studies may suggest that a product causes undesirable side effects or may present a risk to the patient. If data we collect from post-marketing studies suggest that one of our approved products may present a risk to safety, the government authorities could withdraw our product approval, suspend production or place other marketing restrictions on our products. If regulatory sanctions are applied or if regulatory approval is delayed or withdrawn, our operating results and the value of our company may be adversely affected. Additionally, if we are unable to generate revenue from the sale of these products, our potential for generating positive cash flow will be diminished and the need for capital necessary to fund our operations will be increased.

Regulatory approval for our currently marketed products is limited by the FDA to those specific indications and conditions for which clinical safety and efficacy have been demonstrated.

Any regulatory approval of our products is limited to those specific diseases and indications for which our products are deemed to be safe and effective by the FDA. In addition to the FDA approval required for new formulations, any new indication for an approved product also requires FDA approval. If we are not able to obtain FDA approval for any desired future indications for our products, our ability to effectively market and sell our products may be reduced and our business may be adversely affected.

While physicians may choose to prescribe drugs for uses that are not described in the product's labeling and for uses that differ from those approved by regulatory authorities (called "off-label" uses), our ability to promote the products is limited to those indications that are specifically approved by the FDA. Although U.S. regulatory authorities generally do not regulate the behavior of physicians, they do restrict communications by companies on the subject of off-label use. If our promotional activities fail to comply with these regulations or guidelines, we may be subject to warnings from, or enforcement action by, these authorities. In addition, our failure to follow FDA rules and guidelines relating to promotion and advertising may cause the FDA to delay or refuse approval for a product, the suspension or withdrawal of an approved product from the market, recalls, fines, disgorgement of money, operating restrictions, injunctions or criminal prosecution, any of which could harm our business.

We must comply with various laws around the world that restrict certain marketing practices in the pharmaceutical and medical device industries. Failure to comply with such laws could result in penalties and have a material adverse effect on our business, financial condition and results of operations.

Various laws around the world, including antikickback and false claims statutes, the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act, restrict particular marketing practices in the pharmaceutical and medical device industries. Although we have compliance programs and procedures

in place that we believe are effective, our business activities may be subject to challenge under these laws, and any penalties imposed upon us could have a material adverse effect on our business, financial condition and results of operations. Furthermore, we have significantly expanded our sales and marketing staff recently. Although we train our sales and marketing staff under our corporate compliance programs, any expansion of sales and marketing efforts can have the effect of increasing the risk of noncompliance with these laws.

In the United States, the federal health care program antikickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration to induce, or in return for, purchasing, leasing, ordering, or arranging for the purchase, lease, or order of any health care item or service reimbursable under Medicare, Medicaid, or other federally financed healthcare programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers and prescribers, purchasers, and formulary managers. Although a number of statutory exemptions and regulatory safe harbors exist to protect certain common activities from prosecution, the exemptions and safe harbors are narrow, and practices that involve remuneration intended to induce prescriptions, purchases, or recommendations may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Although we seek to comply with the conditions for reliance on these exemptions and safe harbors, our practices may not always meet all of the criteria for safe harbor protection from anti-kickback liability.

Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. Several pharmaceutical and health care companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the company's marketing of the product for unapproved, and thus non-reimbursable, uses. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payer. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines, and imprisonment.

The PPACA imposes new reporting requirements for pharmaceutical and device manufacturers with regard to payments or other transfers of value made to physicians and teaching hospitals, effective March 30, 2013. In addition, pharmaceutical and device manufacturers will be required to report and disclose investment interests held by physicians and their immediate family members during the preceding calendar year. Such information is to be made publicly available by the Secretary of Health and Human Services in a searchable format beginning September 30, 2013.

Failure to submit required information may result in civil monetary penalties of up to $150,000 per year (and up to $1 million per year for "knowing failures") for all payments, transfers of value or ownership or investment interests not reported in an annual submission. Further, the PPACA amends the intent requirement of the federal anti-kickback and criminal health care fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the false claims laws.

If not preempted by this federal law, several states require pharmaceutical companies to report expenses relating to the marketing and promotion of pharmaceutical products and to report gifts and payments to individual physicians in those states. Other states prohibit various other marketing related activities. Still other states require the posting of information relating to clinical studies and their

outcomes. In addition, certain states, such as California, Nevada, and Massachusetts, require pharmaceutical companies to implement compliance programs or marketing codes and several other states are considering similar proposals. Compliance with these laws is difficult and time consuming, and companies that do not comply with these state laws face civil penalties.

Government health care reform could increase our costs, which would adversely affect our revenue and results of operations.

Our industry is highly regulated and changes in law may adversely impact our business, operations or financial results. The PPACA is a sweeping measure intended to expand healthcare coverage within the United States, primarily through the imposition of health insurance mandates on employers and individuals and expansion of the Medicaid program. The reforms imposed by the new law will significantly impact the pharmaceutical industry; however, the full effects of the PPACA cannot be known until these provisions are implemented and the Centers for Medicare & Medicaid Services and other federal and state agencies issue applicable regulations or guidance. Moreover, in the coming years, additional changes could be made to governmental healthcare programs that could significantly impact the success of our products or product candidates. We will continue to evaluate the PPACA, as amended, the implementation of regulations or guidance related to various provisions of the PPACA by federal agencies, as well as trends and changes that may be encouraged by the legislation and that may potentially have an impact on our business over time.

Reports of actual or perceived side effects and adverse events associated with our products, such as sepsis, could cause physicians and patients to avoid or discontinue use of our products in favor of alternative treatments.

Reports of side effects and adverse events associated with our products could have a significant adverse impact on the sale of our products. An example of a known risk associated with intravenous Remodulin is sepsis, which is a serious and potentially life-threatening infection of the bloodstream caused by a wide variety of bacteria. Intravenous prostacyclins, such as intravenous Remodulin and Flolan, are infused continuously through a catheter placed in a large vein in the patient's chest, and sepsis is a known risk associated with this type of delivery. As a result, sepsis is included as a risk in both the Remodulin and Flolan package inserts. Although a discussion of the risk of sepsis is currently included on the Remodulin label, and the occurrence of sepsis is familiar to physicians who prescribe intravenously administered therapies, concerns about bloodstream infections may adversely affect a physician's prescribing practice of Remodulin.

Our corporate compliance program cannot guarantee that we comply with all potentially applicable federal, state and international regulations.

The development, manufacture, distribution, pricing, sales, marketing, and reimbursement of our products, together with our general operations, are subject to extensive federal, state, local and international regulations, which are constantly evolving. These regulations are subject to frequent revisions that often introduce more stringent requirements. While we believe we have developed and instituted adequate corporate compliance programs, we cannot ensure that we will always be in compliance with these regulations. If we fail to comply with any of these regulations, we could be subject to a range of penalties including, but not limited to: the termination of clinical trials, the failure to receive approval of a product candidate, restrictions on our products or manufacturing processes, withdrawal of our products from the market, significant fines, exclusion from government healthcare programs, and other sanctions or litigation.

If the licenses, assignments and alliance agreements we depend on are breached or terminated, we could lose our right to develop and sell products covered by such agreements.

Our business depends upon the acquisition, assignment and license of drugs and other products that have been discovered and initially developed by others. Under our product license agreements, we receive certain rights to existing intellectual property owned by others subject to the terms of each license agreement. Under agreements assigning intellectual property rights to us, the assignor transfers all right, title and interest in and to the intellectual property to us, which are subject to the terms of such agreements. In addition, we may be required to obtain licenses to other third-party technologies to commercialize our early stage products. This dependence on technology developed by others involves the following risks:

- We may be unable to obtain future licenses or assignment agreements at a reasonable cost or at all;
- If any of our licenses or assignment agreements are terminated, we will lose our rights to develop and market related products;
- Our license and assignment agreements generally provide the licensor or assignor the right to terminate these arrangements in the event we breach such agreements—e.g., if we fail to pay royalties and other fees timely; and
- If a licensor or assignor fails to maintain the intellectual property licensed or assigned to us as required by most of our license and assignment agreements, we may lose our rights to develop and market some or all of our products. In addition, we may be forced to incur substantial costs to maintain the intellectual property ourselves or force the licensor or assignor to do so.

Certain license and assignment agreements may restrict our ability to develop related products in certain countries or for particular diseases and may impose other restrictions on our freedom to develop and market our products.

When we license or are assigned rights to drugs and other products that have been discovered and initially developed by others, our rights are frequently limited. For instance, our rights to market Adcirca are geographically limited to the United States and Puerto Rico; however, we would have an opportunity to negotiate with Lilly for the rights to market Adcirca in other territories in the event that Lilly decides not to market Adcirca in a particular territory. Furthermore, we cannot undertake any additional investigational work with respect to Adcirca in other indications of pulmonary hypertension without Lilly's prior approval. Lilly also has authority over all regulatory activities and has the right to determine the retail price for Adcirca and the wholesale price at which Lilly sells Adcirca to us.

Provisions in our license and assignment agreements may impose other restrictions that affect our ability to develop and market related products. For example, Glaxo retained an exclusive option and right of first refusal to negotiate a license agreement with us if we decide to license any aspect of the commercialization of Remodulin and Tyvaso anywhere in the world. Similarly, our amended license agreement with Toray includes a conditional non-compete clause that grants Toray the right to be our exclusive provider of beraprost-MR. Moreover, we must also meet certain minimum annual sales to maintain our exclusive rights to beraprost-MR.

If our or our suppliers' patents or other intellectual property protections are inadequate, our revenues and profits could suffer or our competitors could force our products out of the market.

The period under which our commercial and developmental therapies are protected by our patent rights is limited. Our U.S. patent for the method of treating PAH with Remodulin will expire in October 2014. Our three U.S. patents covering our current methods of synthesizing and producing treprostinil, the active ingredient in both Remodulin and Tyvaso, expire in October 2017. We also have

been granted one patent in the EU and one patent in Japan, each of which covers our treprostinil synthesis and production methods and will expire in October 2018. The patent for Adcirca for the treatment of pulmonary hypertension will expire in 2017 and our patents for Tyvaso will expire in the United States and in various countries throughout the EU in 2018 and 2020, respectively.

We continue to conduct research into new methods to synthesize treprostinil and have two registered patents in the United States that expire in 2021, as well as, additional U.S. and international pending patent applications, relating to such methods. However, we cannot be sure that these additional patents will successfully deter competitors, or that additional patent applications will result in grants of patents. Upon the expiration of our patents, competitors may develop generic versions of our products and market those generic versions to compete with our products. Competitors may also seek to design around our patents prior to their expiration to develop competing products.

The scope of any patent may be insufficient to deter competitors and patent laws of international jurisdictions may not protect our rights to the same extent as the patent laws of the United States. Furthermore, our suppliers' intellectual property protections may not be adequate. Consequently, competitors may attempt to invalidate our existing patents before they expire. In addition to patent protection, we also rely on trade secrets, proprietary know-how and technological advances. We enter into confidentiality agreements with our employees and others, but these agreements may be ineffective in protecting our proprietary information.

To the extent third-party patents cover our products or services, we, or our strategic collaborators, would be required to seek licenses from the holders of these patents in order to manufacture, use, or sell our products and services. Payments under these licenses would reduce our profits from the sale of related products and services. Moreover, we may be unable to obtain these licenses on acceptable terms or at all. If we fail to obtain a required license or are unable to alter the design of our technology to avoid infringing a third-party patent, we would be unable to market related products and services.

We may initiate litigation to enforce or defend our patents or proprietary rights; however, litigation can be time-consuming and costly and may not conclude favorably. If we are unsuccessful with respect to any future legal action in the defense of our patents and our patents are invalidated or canceled, our business could be negatively impacted. Furthermore, any licensed rights, patents or other intellectual property we possess may be challenged, invalidated, canceled, infringed or circumvented and, therefore, may not provide us with any competitive advantage.

We may not maintain adequate insurance coverage to protect us against significant product liability claims.

The testing, manufacturing, marketing, and sale of drugs and diagnostics involve product liability risks. Although we currently maintain product liability insurance, we may not be able to maintain this insurance at an acceptable cost, if at all. In addition, our insurance coverage may not be adequate for all potential claims. If claims or losses significantly exceed our liability insurance coverage, we may be forced out of business.

Improper handling of hazardous materials used in our activities could expose us to significant liabilities.

Our research and development and manufacturing activities involve the controlled use of chemicals and hazardous substances and we are expanding these activities in both scale and location. In addition, patients may dispose of our products using means we do not control. Such activities subject us to numerous federal, state, and local environmental and safety laws and regulations that govern the management, storage and disposal of hazardous materials. Compliance with current or future environmental laws and regulations can require significant costs; furthermore, we can be subject to substantial fines and penalties in the event of noncompliance. While we believe we comply with laws

and regulations governing these materials, the risk of accidental contamination or injury from these materials cannot be completely eliminated. Furthermore, once chemical and hazardous materials leave our facilities, we cannot control what our hazardous waste removal contractors choose to do with these materials. In the event of an accident, we could be liable for substantial civil damages or costs associated with the cleanup of the release of hazardous materials. Any related liability could exceed our resources and could have a materially adverse effect on our business.

We may encounter substantial difficulties managing our growth relative to product demand.

We have spent considerable resources building our laboratories and manufacturing facilities, and we are currently seeking regulatory approvals for some of these laboratories and all of our manufacturing facilities. These facilities may be insufficient to meet future demand for our products. Alternatively, we may have excess capacity at these facilities if future demand falls short of our expectations, or if we do not receive regulatory approvals for the products we intend to produce at these facilities. Constructing our facilities was expensive and our ability to recover our investment satisfactorily will depend on sales of the products manufactured at these facilities in sufficient volume. If we do experience substantial sales growth, we may have difficulty managing inventory levels as marketing new therapies is complicated, and gauging future demand can be difficult and uncertain. We intend to increase our internal manufacturing activities and reduce reliance on third-party suppliers, but we may not be successful in doing so. As our manufacturing capabilities and sales forces grow, we will be faced with increasing regulatory risks and will need to develop appropriate processes and compliance programs to manage such risks.

If we need additional financing and cannot obtain it, our product development and sales efforts may be limited.

We may be required to seek additional sources of financing to meet unplanned or planned expenditures. Unplanned expenditures could be significant and may result from necessary modifications to product development plans or product offerings in response to difficulties encountered with clinical trials. We may also face unexpected costs in preparing products for commercial sale, or in maintaining sales levels of our currently marketed therapeutic products. If we are unable to obtain additional funding on commercially reasonable terms or at all, we may be compelled to delay clinical studies, curtail operations or obtain funds through collaborative arrangements that may require us to relinquish rights to certain products or potential markets.

We may require additional financing to meet significant future obligations. For example, upon the maturity of our Convertible Senior Notes in October 2011, we must repay our investors in cash up to the principal balance of approximately $250.0 million. In addition, awards granted under our Share Tracking Awards Plan (STAP) entitle participants to receive in cash an amount equal to the appreciation in the price of our common stock, which is calculated as the positive difference between the closing price of our common stock on the date of exercise and the date of grant. Consequently, the STAP will likely require significant future cash payments to participants to the extent the price of our common stock continues to appreciate and the number of vested STAP awards increases over time. If we do not have sufficient funds to meet such contractual obligations or the ability to secure alternative sources of financing, we could be in default, face litigation and/or lose key employees.

Risks Related to Our Common Stock

The price of our common stock can be highly volatile and may decline.

The price of common stock can be highly volatile within the pharmaceutical and biotechnology sector. Consequently, there can be significant price and volume fluctuations in the market that may not always relate to operating performance. The table below sets forth the high and low closing prices for our common stock for the periods indicated:

	High	Low
January 1, 2010—December 31, 2010	$ 64.24	$ 46.22
January 1, 2009—December 31, 2009	$ 52.88	$ 27.86
January 1, 2008—December 31, 2008	$ 57.99	$ 24.51

The price of our common stock could decline sharply due to the following factors, among others:

- Quarterly and annual financial and operating results;
- Failure to meet estimates or expectations of securities analysts;
- The timing of enrollment and results of our clinical trials, including our ongoing studies of oral treprostinil for PAH;
- Physician, patient, investor or public concerns regarding the efficacy and/or safety of products marketed or being developed by us or by others;
- Changes in, or new legislation and regulations affecting reimbursement of, our therapeutic products by Medicare or Medicaid and changes in reimbursement policies of private health insurance companies;
- Announcements by us or others of technological innovations or new products or announcements regarding our existing products;
- Interference in patent or other proprietary rights;
- Substantial sales of our common stock by us or our existing shareholders;
- Future issuances of common stock by us or any other activity which could be viewed as being dilutive to our shareholders;
- Rumors among or incorrect statements by investors and/or analysts concerning our company, our products, or operations;
- Failure to maintain, or changes to, our approvals to sell our products;
- Discovery of previously unknown problems with our marketed products or problems with our manufacturing, regulatory, compliance, promotional, marketing or sales activities that result in regulatory restrictions on our products, including withdrawal of our products from the market;
- Failure to obtain or maintain regulatory approvals from the FDA and international regulatory agencies;
- Accumulation of significant short positions in our common stock by hedge funds or other investors or the significant accumulation of our common stock by hedge funds or other institutional investors with investment strategies that may lead to short-term holdings;
- Timing and outcome of additional regulatory submissions and approvals; and
- General market conditions.

We may fail to meet third-party projections for our revenues or profits.

Many securities analysts publish independently developed quarterly and annual projections of our revenues and profits. Such estimates are inherently subject to uncertainty. As a result, actual revenues and profits may differ from these projections, and even small variations in reported revenues and profits compared to securities analysts' expectations could have a significant impact on the price of our common stock.

Sales of our common stock may depress our stock price.

The price of our common stock could decline if: (1) we issue common stock to raise capital or to acquire a license or business; (2) our shareholders transfer ownership of our common stock, or sell substantial amounts in the public market; or (3) our investors become concerned that substantial sales of our common stock may occur. For example, Lilly has announced that they intend to sell a significant portion of our common stock they currently hold in 2011. A decrease in the price of our common stock could make it difficult for us to raise capital or fund acquisitions through the issuance of our stock.

The conversion of some or all of the Convertible Senior Notes when the price of our common stock exceeds $52.85 per share would dilute the ownership interests of our existing shareholders. Any sales of our common stock issued upon such conversion could adversely affect the prevailing market price of our common stock. Furthermore, the existence of the Convertible Senior Notes may encourage short selling by market participants because the conversion of the Convertible Senior Notes could depress the price of our common stock.

The fundamental change purchase feature of the Convertible Senior Notes may delay or prevent an otherwise beneficial attempt to take over our company.

We may be required to repurchase the Convertible Senior Notes from their holders in the event of a fundamental change, which includes a change-of-control of our company. This may delay or prevent a change-of-control of our company that would otherwise be beneficial to our shareholders.

Provisions of Delaware law and our certificate of incorporation, by-laws, shareholder rights plan, and employment and license agreements could prevent or delay a change of control or change in management that may be beneficial to our public shareholders.

Certain provisions of Delaware law and our certificate of incorporation, by-laws and shareholder rights plan may prevent, delay or discourage:

- a merger, tender offer or proxy contest;
- the assumption of control by a holder of a large block of our securities; and/or
- the replacement or removal of current management by our shareholders.

For example, our certificate of incorporation divides our Board of Directors into three classes. Members of each class are elected for staggered three-year terms. This provision may make it more difficult for shareholders to replace the majority of directors. It may also deter the accumulation of large blocks of our common stock by limiting the voting power of such blocks.

Non-competition and all other restrictive covenants in most of our employment agreements will terminate upon a change of control that is not approved by our Board.

We enter into certain license agreements that generally prohibit our counterparties to these agreements or their affiliates from taking necessary steps to acquire or merge with us, directly or indirectly throughout the term of these agreements, plus a specified period thereafter. We are also party to certain license agreements that restrict our ability to assign or transfer the rights licensed to us

to third parties, including parties with whom we wish to merge, or those attempting to acquire us. These agreements often require that we obtain the prior consent of the counterparties to these agreements if we are contemplating a change of control. If our counterparties to these agreements withhold their consent, related agreements could be terminated and we would lose related license rights. For example, both Lilly and Toray have the right to terminate our license agreements relating to Adcirca and beraprost-MR, respectively, in the event of certain change of control transactions. These restrictive change-of-control provisions could impede or prevent mergers that could benefit our shareholders.

Our existing directors and executive officers own a substantial portion of our common stock and might be able to influence the outcome of matters requiring shareholder approval.

Our directors and executive officers beneficially owned approximately 7.9 percent of our outstanding common stock as of December 31, 2010. Shares beneficially owned include stock options that could be exercised by those directors and executive officers within 60 days of December 31, 2010. Accordingly, these shareholders as a group may be able to influence the outcome of matters requiring shareholder approval, including the election of our directors. Such shareholder influence could delay or prevent a change of control that could benefit our shareholders.

Because we do not intend to pay cash dividends, our shareholders must rely on stock appreciation for any return on their investment in us.

We have never declared or paid cash dividends on our common stock. Furthermore, we do not intend to pay cash dividends in the future. As a result, the return on an investment in our common stock will depend entirely upon the future appreciation in the price of our common stock. There can be no assurances that our common stock will provide a return to investors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Maryland—We own a 147,000 square foot combination laboratory and office building in Silver Spring, Maryland that serves as our corporate headquarters and is used for the synthesis of treprostinil-based compounds and monoclonal antibodies. We plan to use this facility to produce Remodulin, Tyvaso and monoclonal antibodies for commercial use. Our previous corporate headquarters and the buildings adjacent to it were demolished for the construction of a new office building which began in the third quarter of 2010 and is expected to be complete in late 2011. We also own two other buildings in Silver Spring used principally for office space and we lease space at a warehouse near Silver Spring.

Florida—We own an office building in Satellite Beach, Florida. Our Lung Rx and Medicomp subsidiaries lease office space in Melbourne, Florida.

North Carolina—We own a 200,000 square foot combination manufacturing facility and office building in Research Triangle Park, North Carolina, which is occupied by our clinical research and development and commercialization staffs. We warehouse and distribute Tyvaso and manufacture oral treprostinil at this location. In March 2011, we plan to begin construction of an approximately 180,000 square foot expansion of this facility to meet our anticipated future needs for additional warehouse, packaging and office space. The expansion is expected to be completed in mid-2012.

Europe—We own a 24,000 square foot building near London, England which serves as our European headquarters. We also own a building in Oxford, England. In Germany, we lease office and production space from NEBU-TEC for production of the Tyvaso Inhalation System.

We believe that these facilities, along with various other owned and leased office facilities in the United States and Canada, are adequate for our current operations and that additional land and facilities for future expansion are reasonably available.

All our properties and leased facilities, except for the lease space for Medicomp, are used in our pharmaceutical segment.

ITEM 3. LEGAL PROCEEDINGS

As previously disclosed in each of our Quarterly Reports on Form 10-Q beginning with the quarter ended September 30, 2009, as well as in our Annual Report on Form 10-K for the year ended December 31, 2009, purported shareholders filed derivative lawsuits in the Court of Chancery for the State of Delaware against certain of our directors and named executive officers relating to the adoption of our STAP, the modification of awards granted under the STAP, the exchange of certain stock options granted under our Amended and Restated Equity Incentive Plan, and certain stock options awarded to our Chief Executive Officer. The parties entered into a stipulation to settle these lawsuits, and the Court entered an order approving the stipulation and settlement on January 21, 2011. The period for appealing that order expired on February 22, 2011. The derivative lawsuits are, therefore, resolved.

From time to time, we may be involved in other lawsuits and proceedings incidental to the conduct of our business. We are not a party to any other lawsuit or proceeding that, in the opinion of our management, is likely to have a material adverse effect on our financial position or results of operations.

PART II

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

Market for Common Equity

Our common stock (and associated preferred stock purchase rights) trades on the NASDAQ Global Select Market under the symbol "UTHR". The table below sets forth the high and low closing prices for our common stock for the periods indicated, as adjusted for the two-for-one split of our common stock on September 22, 2009:

	2010		2009	
	High	Low	High	Low
January 1—March 31	$ 61.46	$ 53.27	$ 36.64	$ 29.60
April 1—June 30	$ 58.52	$ 48.81	$ 42.93	$ 27.86
July 1—September 30	$ 56.07	$ 46.22	$ 50.30	$ 39.32
October 1—December 31	$ 64.24	$ 54.26	$ 52.88	$ 40.63

As of February 18, 2011, there were 42 holders of record of our common stock.

Dividend Policy

We have never paid and have no present intention to pay cash dividends on our common stock in the foreseeable future. We intend to retain any earnings for use in our business operations.

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with our consolidated financial statements and the notes accompanying the consolidated financial statements and *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations* included in this Annual Report on Form 10-K. The historical results are not necessarily indicative of results to be expected for future periods. The following information is presented in thousands, except per share data.

	For Years Ended December 31,				
	2010	2009	2008	2007	2006
Consolidated Statements of Operations Data:					
Revenues	$ 603,831	$ 369,848	$ 281,497	$ 210,943	$ 159,632
Operating expenses:					
Research and development	166,761	122,188	239,181	83,352	57,570
Selling, general and administrative	199,600	176,338	94,306	99,027	56,052
Cost of sales	73,465	45,321	30,066	22,261	17,028
Total operating expenses	439,826	343,847	363,553	204,640	130,650
Income (loss) from operations	164,005	26,001	(82,056)	6,303	28,982
Other income (expense):					
Interest income	2,939	5,146	11,025	13,602	10,700
Interest expense	(19,714)	(12,875)	(11,439)	(14,281)	(2,417)
Equity loss in affiliate	(160)	(141)	(226)	(321)	(491)
Other, net	769	636	(1,025)	(826)	1,199
Total other income (expense), net	(16,166)	(7,234)	(1,665)	(1,826)	8,991
Income (loss) before income tax	147,839	18,767	(83,721)	4,477	37,973
Income tax (expense) benefit	(41,923)	695	34,394	7,876	34,623
Net income (loss)	$ 105,916	$ 19,462	$ (49,327)	$ 12,353	$ 72,596
Net income (loss) per common share:					
Basic(1)	$ 1.89	$ 0.37	$ (1.08)	$ 0.29	$ 1.58
Diluted(1)	$ 1.78	$ 0.35	$ (1.08)	$ 0.28	$ 1.50
Weighted average number of common shares outstanding:					
Basic(1)	56,142	53,314	45,802	42,448	46,020
Diluted(1)	59,516	56,133	45,802	44,902	48,276

	Year Ended December 31,				
	2010	2009	2008	2007	2006
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable investments(2)	$ 759,932	$ 378,120	$ 336,318	$ 299,792	$ 264,163
Total assets	1,431,635	1,051,544	874,534	585,247	476,317
Debt	304,897	250,599	234,952	192,172	179,604
Retained earnings (deficit)	31,170	(74,746)	(93,927)	(30,375)	(42,729)
Total stockholders' equity	883,886	653,009	555,334	352,131	272,559

(1) See Note 11— *Stockholders' Equity* to our consolidated financial statements included in this Annual Report on Form 10-K for the computation of basic and diluted net income per share.

(2) Excludes restricted marketable investments and cash.

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

The following discussion should be read in conjunction with our consolidated financial statements and related notes to the consolidated financial statements included in this Annual Report on Form 10-K. The following discussion contains forward-looking statements made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These statements are based on our beliefs and expectations about future outcomes and are subject to risks and uncertainties that could cause actual results to differ materially from anticipated results. Factors that could cause or contribute to such differences include those described under *Part I, Item 1A—Risk Factors—Forward Looking Statements* appearing in this Annual Report on Form 10-K and factors described in other cautionary statements, cautionary language and risk factors set forth in other documents filed with the Securities and Exchange Commission. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

United Therapeutics Corporation is a biotechnology company focused on the development and commercialization of unique products to address the unmet medical needs of patients with chronic and life-threatening conditions.

Our key therapeutic products and product candidates include:

- *Prostacyclin analogues (Remodulin® and Tyvaso®):* stable synthetic forms of prostacyclin, an important molecule produced by the body that has powerful effects on blood vessel health and function;
- *Phosphodiesterase type 5 (PDE-5) inhibitor (Adcirca®):* a molecule that acts to inhibit the degradation of cyclic guanosine monophosphate (cGMP) in cells. cGMP is activated by nitric oxide, a naturally occurring substance in the body that mediates the relaxation of vascular smooth muscle;
- *Monoclonal antibodies (Ch14.18 MAb and 8H9 MAb):* antibodies that treat cancer by activating the immune system; and
- *Glycobiology antiviral agents (Miglustat and other agents):* a novel class of small, sugar-like molecules that have shown antiviral activity in a range of pre-clinical settings.

We concentrate substantially all of our research and development efforts on these key therapeutic programs. Our lead product is Remodulin (treprostinil) Injection (Remodulin) for the treatment of pulmonary arterial hypertension (PAH). The United States Food and Drug Administration (FDA) initially approved Remodulin in 2002 for subcutaneous (under the skin) administration. Subsequently, the FDA broadened its approval of Remodulin for intravenous (in the vein) use and for the treatment of patients who require transition from Flolan®, the first drug approved by the FDA for the treatment of PAH. In addition to the United States, Remodulin is approved in many other countries, primarily for subcutaneous use. In May 2009, the FDA approved Adcirca (tadalafil) tablets (Adcirca), an orally administered therapy for the treatment of PAH to which we acquired certain exclusive commercialization rights from Eli Lilly and Company (Lilly). In July 2009, the FDA approved Tyvaso (treprostinil) Inhalation Solution (Tyvaso), an inhaled therapy for the treatment of PAH. We launched both Adcirca and Tyvaso for commercial sale during the third quarter of 2009. With the introduction of these two new therapies, we now offer treatments to a broader range of patients who suffer from PAH. In addition, we are continuing to develop oral formulations of treprostinil and beraprost, both for the treatment of PAH.

Revenues

Sales of Remodulin comprise the largest share of our revenues. Other sources of pharmaceutical revenues include sales of our recently approved therapies, Tyvaso and Adcirca. Since their commercial introduction in 2009, sales of Tyvaso and Adcirca have continued to grow, as each of these therapies has gained broader market acceptance. We sell Remodulin and Tyvaso in the United States to our specialty pharmaceutical distributors: Accredo Health Group, Inc., CuraScript, Inc., and CVS Caremark. Adcirca is sold to pharmaceutical wholesalers that are part of Lilly's pharmaceutical wholesaler network. We also sell Remodulin to distributors outside of the United States.

We require our distributors to maintain reasonable levels of contingent inventory, with a minimum of a 30-day supply, at all times, as the interruption of Remodulin or Tyvaso therapy can be life threatening. Consequently, sales of these therapies in any given quarter may not precisely reflect patient demand. Our distributors typically place one bulk order per month based on estimates of future demand and considerations of contractual minimum inventory requirements. As a result, the sales volume of Remodulin and Tyvaso can vary, depending on the timing and magnitude of these orders.

In March and April of 2010, we increased the price on all concentrations of Remodulin sold to our U.S.-based and international distributors by 9.6 percent and 13.3 percent, respectively. In addition, we increased the price of Tyvaso by 4.9 percent in November 2010 to offset the increasing cost of manufacture and distribution. In January 2011, Lilly notified us that it was increasing the wholesale price of Adcirca by 9.0 percent.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the Acts). The Acts contain broad provisions that will be implemented over the next several years. We are currently evaluating the impact of the Acts on our business; however, our evaluation is dependent upon the issuance of final regulations and the impact this legislation will have on insurance companies and their relationships with drug manufacturers. We were not materially impacted by the Acts during the year ended December 31, 2010. However, the potential future impact of the Acts on our business is inherently difficult to project as many of the details regarding the implementation of this legislation are yet to be determined. Presently, we have not yet identified any provisions that could materially impact our business, but will continue to monitor future developments of this legislation.

Effective January 1, 2010, the Acts increased the minimum rate for rebates pharmaceutical companies must provide to Medicaid on certain pharmaceutical products from 15.1 percent to 23.1 percent. This increase applies to rebates for Remodulin, Tyvaso and Adcirca. Based on our evaluation of Medicare rebates for the year ended December 31, 2010, the increase in the rate for Medicaid rebates decreased our net revenues by less than one percent. Furthermore, over the last three years, less than ten percent of prescriptions for our drugs have been reimbursed by Medicaid. As such, we do not expect this provision of the Acts to materially impact our future revenues.

Total revenues are reported net of: (1) estimated rebates and other reimbursements; (2) prompt pay discounts; (3) service fees to our distributors; and (4) allowances for product returns or exchanges. Estimates of our liability for rebates and reimbursements are derived from an analysis of historical levels of rebates/reimbursements to both state Medicaid agencies and third-party payers by product relative to sales of each product. Prompt pay discounts are provided on sales of our commercial products if the related invoices are paid in full within a specific time period. We estimate our liability for prompt pay discounts based on observed customer payment behavior. Fees paid to our distributors for services are estimated based on contractual rates for specific services applied to the estimated units of service provided for the period. The allowance for sales returns for Adcirca is estimated based on published industry data related to specialty pharmaceuticals, which is the segment most relevant to Adcirca. The allowance for exchanges for Remodulin is based on the historical rate of product exchanges, which has been too immaterial to record. In addition, because Tyvaso is distributed in the

same manner and under similar contractual arrangements as Remodulin, the level of product exchanges for Tyvaso has been comparable to that of Remodulin and we anticipate minimal exchange activity in the future for both products.

During the fourth quarter of 2010, we increased our sales and marketing department by approximately 50 personnel. This initiative was designed to increase demand for our products through greater exposure and interaction with prescribers.

In addition to our pharmaceutical revenues, other sources of revenue consist primarily of sales of telemedicine products and services in the United States. Our telemedicine products and services are designed to detect cardiac arrhythmias and ischemic heart disease. On February 7, 2011, we entered into a merger agreement with a group of private investors to sell Medicomp, our telemedicine subsidiary. We expect this transaction to close in March or April 2011, assuming the timely receipt of required regulatory approvals. For further details, see Note 20— *Subsequent Event* to our consolidated financial statements included in this Annual Report on Form 10-K.

Expenses

Since our inception, we have devoted substantial resources to our various research and development initiatives. Accordingly, we incur considerable costs related to our clinical trials and research, conducted both internally and by third parties, on a variety of projects to develop pharmaceutical products. We also seek to license or acquire promising technologies and/or compounds to be incorporated into our development pipeline.

Our operating expenses can be materially impacted by the recognition of share-based compensation relating to our Share Tracking Awards Plan (STAP) and any awards of stock option grants. STAP awards are required to be measured at fair value at the end of each reporting period using inputs and assumptions that can materially impact the amount of compensation expense for a given period. Additionally, some, or all of the following factors, among others, can cause substantial variability in the amount of share-based compensation recognized period to period: (1) changes in the price of our common stock; (2) changes in the number of outstanding awards; and (3) changes in both the number of vested awards and the time awards have accrued toward vesting. For further details, see Note 8— *Share Tracking Awards Plan* to our consolidated financial statements included in this Annual Report on Form 10-K. Generally, our stock option grants are measured at fair value at the date of grant. The fair value of stock option grants is recognized as compensation expense over the service period, which typically coincides with the vesting period of related options. We recognize all compensation expense immediately for grants that are fully vested at the date of grant. For further details on stock options, see Note 11— *Stockholders' Equity* to our consolidated financial statements included in this Annual Report on Form 10-K.

Major Research and Development Projects

Our major research and development projects focus on the use of prostacyclin analogues to treat cardiovascular diseases, monoclonal antibodies to treat a variety of cancers, and glycobiology antiviral agents to treat infectious diseases.

Cardiopulmonary Disease Projects

Tyvaso

Upon receiving FDA approval of Tyvaso for the treatment of PAH in July 2009, we launched the product for commercial sale in September 2009. In connection with the Tyvaso approval, we agreed to a post-marketing requirement (PMR) and certain post-marketing commitments (PMCs). PMRs and PMCs often obligate sponsors to conduct studies after FDA approval to gather additional information

about a product's safety, efficacy, or optimal use. PMRs are required studies, whereas PMCs are voluntary commitments. We are required to provide the FDA annual updates on our PMR and PMCs. Failure to complete or adhere to the timelines set forth by the FDA for the PMR could result in penalties, including fines or withdrawal of Tyvaso from the market, unless we are able to demonstrate good cause for the failure or delay.

In accordance with our PMR, we recently commenced patient enrollment in a long-term observational study in the U.S. that will include 1,000 patient years of follow-up in patients treated with Tyvaso, and 1,000 patient years of follow up in control patients receiving other PAH treatments. This study will allow us to continue to assess the safety of Tyvaso. We are currently required to submit the results of the study by December 15, 2013, but we have requested an extension to this timeline.

The PMCs require us to modify particular aspects of the Tyvaso Inhalation System. As part of these modifications, we agreed to perform a usability analysis incorporating the evaluation and prioritization of user-related risk followed by a human factors study. We submitted proposed modifications to the device to the FDA in accordance with the PMCs and completed the related human factors study. The FDA has requested further modifications to the device and a follow-up usability study once these additional modifications are complete. As a result of the further modifications and follow-up usability study, we have requested an extension to the original October 31, 2010 timeline for completion of the PMCs. Our request is under review by the FDA.

In June 2010, the FDA granted orphan-drug designation for Tyvaso. Such a designation confers an exclusivity period during which the FDA may not approve any application to market the same drug for the same indication, except in limited circumstances.

In December 2008, we began enrolling patients in an open-label study in the United States to investigate the effects of switching patients on Ventavis®, another inhaled prostacyclin analogue, to Tyvaso. We recently completed the study, in which improvements in patient quality of life were observed. Final data is being prepared for presentation at scientific symposia.

Oral treprostinil

In December 2006, we initiated two Phase III clinical trials, FREEDOM-C and FREEDOM-M, to evaluate the safety and efficacy of oral treprostinil in patients with PAH.

FREEDOM-C was a study of patients currently on approved background therapy using a PDE-5 inhibitor, such as Revatio®, or an endothelin receptor antagonist, such as Tracleer®, or a combination of both. We completed enrollment for FREEDOM-C in May 2008 and in November 2008 announced that FREEDOM-C failed to achieve statistical significance for the primary endpoint of six-minute walk distance. Preliminary analysis of the data revealed that the initial dose of 1.0 mg was too high, which contributed to an inability to dose titrate (increase the dose to tolerability), prevented the attainment of optimal dosing levels and led to higher dropout rates than we anticipated. Consequently, the overall treatment effect of the therapy was muted. We believe, however, that the results of the FREEDOM-C clinical trial, particularly as they relate to treatment effect and dosing, warrant our continued development of oral treprostinil. Accordingly, we commenced an additional Phase III clinical trial, FREEDOM-C ^{2}, to continue studying dosage and efficacy of oral treprostinil in PAH patients on an approved background therapy. Enrollment in FREEDOM-C ^{2} began in June 2009. In the FREEDOM-C ^{2} study, patients are provided access to a lower strength tablet (0.25 mg) and doses are being titrated in 0.25 mg to 0.5 mg increments. We estimate that this trial will be fully-enrolled in April 2011, in which case we expect to unblind and announce preliminary analysis of the trial in September 2011.

FREEDOM-M is a 12-week study of newly diagnosed PAH patients not currently on any background therapy. Based on our observations from the FREEDOM-C clinical trial relating to patient

tolerability and tablet strength, we submitted a protocol amendment to the FDA in February 2009 to add patients to the ongoing FREEDOM-M trial. These additional patients were provided a lower strength tablet (0.25 mg) when beginning the trial and doses were titrated in 0.25 mg to 0.5 mg increments, which we believe improved tolerability. In addition, we submitted an amendment to our statistical analysis plan, specifying that the primary statistical analysis of the trial will include only those patients who started the trial using the 0.25 mg tablet. By amending the protocol for FREEDOM-M we hope to: (1) assess more accurately the effectiveness of oral treprostinil; (2) improve patient tolerability of oral treprostinil so that an effective maintenance dose can be attained; and (3) reduce the rate of premature discontinuation due to adverse events. The statistical assumptions of the amended protocol provide for 90 percent power (confidence rate) to observe a 45-meter treatment benefit in six-minute walk distance at the significance level of 0.01. On January 31, 2011 we completed enrollment of FREEDOM-M with 349 patients, compared to target enrollment of 315 patients, and expect to unblind and announce preliminary analysis of the results of the clinical trial in June 2011.

We have also introduced a 0.125 mg tablet, which allows us to start patients on an even lower strength tablet, and titrate doses in smaller increments for both FREEDOM-C ^{2} and FREEDOM-M, if needed.

Beraprost-MR

Pursuant to our license agreement with Toray Industries, Inc. (Toray), we are developing a modified release formulation of beraprost-MR, an oral prostacyclin analogue, for the treatment of PAH. In October 2007, beraprost-MR received regulatory approval in Japan for the treatment of PAH. We have completed enrollment of a Phase II clinical trial of beraprost to explore multiple-dose tolerability in patients with PAH and we have begun a second Phase II clinical trial. In September 2010, we entered into a supplement to our license agreement with Toray under which we agreed on the timing of two milestone payments provided for under our existing agreement, in the amounts of $4.0 million and $5.0 million. All conditions relating to these milestone payments were satisfied in the fourth quarter of 2010; accordingly, during the quarter we paid Toray $4.0 million and recognized a $5.0 million liability and associated expense relating to the second milestone payment, which will be paid to Toray during the first quarter of 2011. Although the second milestone payment is not due until the first quarter 2011, we accrued and expensed the payment in 2010 because the contingencies affecting this milestone payment were satisfied during the fourth quarter of 2010. These milestone payments were expensed as incurred since beraprost-MR has not demonstrated commercial feasibility.

Collagen Type V

Pursuant to our February 2010 development agreement with ImmuneWorks, Inc., Lung Rx is developing a purified bovine Type V Collagen oral solution called IW001 for the treatment of idiopathic pulmonary fibrosis (IPF), a progressive lung disease characterized by abnormal and excessive fibrotic tissue in the lungs, and primary graft dysfunction, a type of organ rejection that can occur in lung transplants. Human clinical testing of IW001 has commenced, and a Phase I clinical trial in patients with IPF is ongoing.

From inception to December 31, 2010, we have spent $601.6 million on our cardiopulmonary disease programs.

Cancer Disease Projects

Ch14.18 Antibody

In July 2010, we entered into a Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI) to collaborate on the late-stage development and regulatory agency submissions of Chimeric Monoclonal Antibody 14.18 (Ch14.18) for children with high-risk

neuroblastoma and patients with other forms of cancer. Ch14.18 is an antibody that has shown potential in the treatment of certain types of cancer by targeting GD2, a glycolipid on the surface of tumor cells. Under the terms of the CRADA, NCI will conduct a clinical trial in approximately 100 patients to define more clearly the safety and toxicity profile of Ch14.18 immunotherapy in children and we will develop the commercial manufacturing capability for the antibody. As part of developing our commercial manufacturing capability, we will need to demonstrate comparability of our Ch14.18 to the NCI-produced Ch14.18, which typically includes a series of analytical and bioanalytical assays and human pharmacokinetics. The NCI studies, including a previously conducted related Phase III clinical trial and all other necessary studies supported by NCI will be used as the basis for a Biologics License Application seeking FDA approval of Ch14.18 immunotherapy for the treatment of neuroblastoma.

3F8 and 8H9 Antibodies

In December 2007, we entered into two agreements with Memorial Sloan-Kettering Cancer Center to license certain rights to two investigational monoclonal antibodies—3F8 for the treatment of neuroblastoma and 8H9 for the treatment of metastatic brain cancer. We terminated our license to 3F8 during the fourth quarter of 2010 given the overlap between this program and the Ch14.18 program.

We have spent $66.0 million from inception to December 31, 2010, on our cancer programs.

Infectious Disease Projects

Pursuant to our research agreement with the University of Oxford (Oxford), we have the exclusive right to commercialize a platform of glycobiology antiviral drug candidates in various preclinical and clinical stages of testing for the treatment of a wide variety of viruses. Through our research agreement with Oxford, we are also supporting research into new glycobiology antiviral drug candidates and technologies. We are currently testing many of these compounds in preclinical studies and Oxford continues to synthesize new agents for us to test.

We have spent $47.0 million from inception to December 31, 2010, on our infectious disease programs.

Cost of Product Sales

Cost of product sales comprises costs to manufacture and acquire products sold to customers, and royalty payments under license agreements granting us rights to sell related products. We manufacture forms of treprostinil using advanced intermediate compounds purchased in bulk from several third-party vendors that have the capacity to produce greater quantities of these compounds more cost effectively than we do. In 2009, we received regulatory approval in both the United States and the European Union to produce treprostinil in our facility in Silver Spring, Maryland. Our manufacturing process has been designed to give us the flexibility to produce the forms of treprostinil used in Remodulin, Tyvaso, and our oral tablet, based on forecasted demand for each of these products. The approved shelf lives for both Remodulin and Tyvaso are 36 months. To ensure sufficient availability of Remodulin and Tyvaso at all times, we maintain inventories of these products equivalent to approximately three years of expected demand.

We acquired the rights to the Tyvaso Inhalation System from NEBU-TEC in September 2009. Tyvaso is generally sold as a starter kit for new patients and as a resupply kit for monthly prescription refills. The Tyvaso starter kits consist of the Tyvaso Inhalation System, which includes two nebulizers and a twenty-eight day supply of Tyvaso. The monthly resupply kits contain a twenty-eight day supply of Tyvaso and daily supplies only. Because the starter kits contain two nebulizers, the cost of product sales for the starter kits is higher than the resupply kit. We currently manufacture the Tyvaso Inhalation System in Germany using labor supplied by NEBU-TEC. In addition, we received FDA approval in December 2010 for Minnetronix, Inc. to manufacture the Tyvaso Inhalation System and for Quality

Tech Services, Inc. to package daily supplies. Catalent Pharma Solutions, Inc. (Catalent) continues to manufacture Tyvaso.

In 2009, we amended our contract with our Remodulin manufacturer, Baxter Pharmaceutical Solutions, LLC (Baxter), to extend the contract term through 2013. As part of that contract amendment, we agreed that Baxter will manufacture Remodulin in greater quantities using larger capacity production equipment. This new manufacturing process and related equipment will require FDA and international regulatory approvals. We are currently conducting validation testing for the new equipment and process. Until FDA approval of the new process and equipment, Baxter continues to manufacture Remodulin using the approved process and equipment. In January 2011, we received FDA approval of Hollister-Stier Laboratories LLC as a second manufacturer for Remodulin in the larger quantities discussed above.

We are actively working to obtain approval for the commercial manufacture Remodulin and Tyvaso in our Silver Spring facility. Our goal is to become the primary manufacturer with contracted third-party manufacturers supplementing our manufacturing capacity.

Lilly manufactures and distributes Adcirca through its wholesaler network in the same manner that it distributes its own pharmaceutical products. Under the terms of this agreement, we take title to Adcirca upon completion of its manufacture by Lilly. Adcirca is shipped to customers, generally pharmaceutical wholesalers, in accordance with purchase orders received by Lilly. Although Lilly provides these services on our behalf, we maintain the risk of loss as it pertains to inventory and non-payment of invoices.

We acquired the rights to sell our commercial products through license and assignment agreements with the developers of these products, as described in the section entitled *Item 1 — Business—Patents and Proprietary Rights.* These agreements obligate us to pay royalties generally on the net revenues from the products. While the royalties vary by agreement, we pay royalties on our current commercial products at a rate of 1% to 10% of net revenues.

Future Prospects

Because PAH remains a progressive disease without a cure, we expect continued growth in the demand for our commercial products as viable alternatives or complements to other approved therapies. Furthermore, the commercial introduction of Tyvaso and Adcirca allows us to offer products to more patients along the full continuum of the disease. Since 2002, we have experienced annual revenue growth in excess of 30 percent and one of our principal objectives is to sustain industry-leading revenue growth. The continued achievement of this objective will depend in large part upon the successful commercial development of products within our pipeline. To this end, we continue to develop oral treprostinil and beraprost and seek to expand the use of our therapies to treat patients at earlier stages in the PAH disease progression and to treat other conditions.

We believe the outcome of our FREEDOM-M and FREEDOM-C ^{2} Phase III clinical trials of oral treprostinil will be successful. Furthermore, we anticipate that the products developed under these clinical trials will generate future sources of revenue. However, prior to FDA approval of oral treprostinil for marketing, we could be required to perform additional studies. This could cause unexpected delays in the commercialization of oral treprostinil and could impede our anticipated revenue growth. Our future growth and profitability will depend on many factors including, among others: (1) the timing and outcome of clinical trials and regulatory approvals, including those relating to oral treprostinil and the PMCs and PMR relating to the FDA's approval of Tyvaso; (2) the timing of the commercial launch of Remodulin and Tyvaso in new markets and of new products; (3) the pricing of and demand for our products and services; (4) reimbursement of our products by public and private insurance organizations; and (5) the competition we face within our industry.

We operate in a highly competitive market in which a small number of pharmaceutical companies control a majority of the currently approved PAH therapies. These pharmaceutical companies not only possess greater visibility in the market, but also greater financial, technical and marketing resources than we do. In addition, there are a number of investigational products in development that, if approved, may erode the market share of our existing commercial therapies and make market acceptance more difficult to achieve for any therapies we market in the future.

Financial Position

Cash, cash equivalents and marketable investments (excluding all restricted amounts) at December 31, 2010, were $759.9 million, compared to approximately $378.1 million as of December 31, 2009. The increase in cash and marketable investments of $381.8 million was driven mainly by: (1) significant sales growth of $234.0 million and related cash receipts from sales of Remodulin and the launch of Adcirca and Tyvaso; (2) $70.0 million in proceeds received from a mortgage loan which closed on December 27, 2010 (See Note 9— *Debt — Mortgage Financing* to the consolidated financial statements included in this Annual Report on Form 10-K); and (3) $52.5 million in net proceeds received from the exercise of stock options less cash paid upon the exercise of awards granted under our Share Tracking Awards Plan (STAP) during the twelve-month period ended December 31, 2010.

Restricted cash and marketable investments decreased by $34.9 million as amounts securing our synthetic lease arrangement related to our Phase I Laboratory were released upon the termination of the lease in connection with the closing of our mortgage loan. At December 31, 2010 restricted cash and marketable investments was composed of $5.1 million placed in the United Therapeutics Corporation Supplemental Executive Retirement Plan Rabbi Trust Document (Rabbi Trust).

Accounts receivable at December 31, 2010, was $73.7 million, compared to $50.6 million at December 31, 2009. The $23.1 million increase reflected the increase in our sales of pharmaceutical products, particularly sales during the quarter ended December 31, 2010, compared to the quarter ended December 31, 2009.

The increase in inventory of $9.2 million at December 31, 2010, from $26.4 million to $35.5 million, coincided largely with our efforts to increase our inventories of Remodulin, Tyvaso and treprostinil to a three-year supply based on sales trends and growth expectations.

Goodwill and other intangible assets decreased by approximately $8.6 million, from $18.4 million at December 31, 2009, to $9.9 million at December 31, 2010. The decrease includes a $6.2 million impairment charge related to Medicomp, our telemedicine subsidiary. On February 7, 2011, we entered into an agreement to sell Medicomp to a group of private investors for approximately $14.9 million. At December 31, 2010, the carrying value of Medicomp was greater than the fair value of the purchase price which resulted in the goodwill impairment charge. For additional details, refer to Note 2— *Summary of Significant Accounting Policies—Goodwill and Other Intangible Assets* and Note 20— *Subsequent Event* , included in this Annual Report on Form 10-K.

Accrued expenses at December 31, 2010 were $50.3 million, compared to $29.8 million at December 31, 2009. The increase in accrued expenses of $20.5 million comprised mainly of increases in accrued royalties and rebates of $11.6 million and accrued research-related costs of $6.0 million, which included a $5.0 million milestone payment due to Toray in the first quarter of 2011.

Other current liabilities increased by $64.9 million from $61.4 million at December 31, 2009, to $126.3 million at December 31, 2010. The liability for the STAP increased by $61.4 million from December 31, 2009 to December 31, 2010 as a result of the appreciation in the price of our common stock and increases in both the number of outstanding awards and the period such awards had accrued toward vesting.

Notes payable—current increased by $15.7 million from $220.3 million at December 31, 2009 to $236.0 million at December 31, 2010. This increase resulted from the amortization of the debt discount relating to our Convertible Senior Notes for the year ended December 31, 2010.

Mortgage payable—noncurrent at December 31, 2010 increased by $68.9 million from none at December 31, 2009. The increase related to a $70.0 million mortgage loan funded in December 2010. Amounts due within one year from December 31, 2010 have been included under the caption, "Other current liabilities" on our consolidated balance sheet at December 31, 2010.

The reduction in the lease obligation from $30.3 million at December 31, 2009 to none at December 31, 2010 resulted from the termination of our synthetic lease agreement relating to our Phase I Laboratory, which was the first completed building in our Silver Spring headquarters campus. We terminated the synthetic lease and acquired title to the Phase I Laboratory to secure our $70.0 million mortgage loan.

Other noncurrent liabilities at December 31, 2010, were $39.3 million compared to $27.1 million at December 31, 2009. The $12.1 million increase was largely due to an $11.9 million increase in the projected benefit obligation related to our Supplemental Executive Retirement Plan (SERP) as a result of the addition of two new participants during the year ended December 31, 2010.

Stockholders' equity was $883.9 million at December 31, 2010, compared to $653.0 million at December 31, 2009. The increase of $230.9 million consisted primarily of the following: (1) net income of $105.9 million; (2) net proceeds and related tax benefits from the exercise of stock options of $83.3 million and $23.8 million, respectively; and (3) the recognition of $22.7 million in share-based compensation.

Results of Operations

Years ended December 31, 2010 and 2009

The following table presents the components of net revenues (dollars in thousands):

	For Years Ended December 31,		Percentage Change
	2010	2009	
Cardiopulmonary products:			
Remodulin	$ 403,598	$ 331,579	21.7%
Tyvaso	151,797	20,268	648.9%
Adcirca	36,307	5,789	527.2%
Telemedicine services and products	10,932	10,968	(0.3)%
License fees	1,197	1,244	(3.8)%
Total revenues	$ 603,831	$ 369,848	63.3%

The growth in revenues experienced during 2010 resulted in large part from the increase in the number of patients being prescribed our products. In addition, in March and April of 2010, we increased the price of Remodulin sold to our U.S. and international distributors, respectively, and in November 2010, increased the price of Tyvaso by 4.9%. The impact of these price increases for the year ended December 31, 2010, was $25.9 million, of which, $25.6 million related to sales of Remodulin. For the years ended December 31, 2010 and 2009, approximately 86% and 88%, respectively, of net Remodulin revenues were earned from our three distributors located in the United States. In addition, all of our Tyvaso revenues were earned from the same three distributors. Adcirca revenues are earned from sales to national and regional pharmaceutical wholesalers.

The table below presents a reconciliation of the liability accounts associated with estimated rebates and reimbursements, sales discounts, distributor fees and sales allowances and the net reductions to revenues related to these items (dollars in thousands):

	For Years Ended December 31,	
	2010	2009
Liability accounts, at beginning of period	$ 6,639	$ 4,096
Additions to liability attributed to sales in:		
Current period	44,166	21,338
Prior period	232	—
Payments or reductions attributed to sales in:		
Current period	(32,829)	(13,979)
Prior period	(5,032)	(4,816)
Liability accounts, at end of period	$ 13,176	$ 6,639
Net reductions to revenues	$ 44,398	$ 21,338

The table below summarizes research and development expense by major project and non-project components (dollars in thousands):

	For Years Ended December 31,		Percentage Change
	2010	2009	
Project and non-project:			
Cardiopulmonary	$ 86,161	$ 61,574	39.9%
Share-based compensation	45,878	36,294	26.4%
Other	34,722	24,320	42.8%
Total research and development expense	$ 166,761	$ 122,188	36.5%

Cardiopulmonary. The increase in cardiopulmonary expenses of $24.6 million for the year ended December 31, 2010, compared to the year ended December 31, 2009 was driven largely by the following: (1) an increase of $12.8 million in expenses incurred in connection with our FREEDOM-M and FREEDOM-C ^{2} Phase III clinical trials; (2) an increase of $13.8 million in expenses related to our development of beraprost-MR, which includes $9.0 million in milestone related expenses; and (3) an increase of $4.9 million, including $3.0 million in milestone payments to ImmuneWorks, Inc. for the development of a Type V Collagen oral solution which began in 2010. These increases were offset, in part, by a $5.9 million decrease in expenditures related to our inhaled treprostinil program.

Share-based compensation. The increase in share-based compensation expense of $9.6 million for the year ended December 31, 2010, compared to the year ended December 31, 2009, can be attributed to our STAP awards.

Other. The increase of $10.4 million in other research and development expenses of during the year ended December 31, 2010, compared to those for the year ended December 31, 2009, corresponded mainly to an increase of $10.2 million in personnel, depreciation and overhead costs supporting our research mainly because 2010 was the first full year of operations of our new facilities in North Carolina and Maryland. Research and development expenses for our individual disease platforms include only direct labor and related direct costs.

The table below summarizes selling, general and administrative expense by major categories (dollars in thousands):

	For Years Ended December 31,		Percentage Change
	2010	2009	
Category:			
General and administrative	$ 83,077	$ 68,606	21.1%
Sales and marketing	49,332	43,593	13.2%
Share-based compensation	67,191	64,139	4.8%
Total selling, general and administrative expense	$ 199,600	$ 176,338	13.2%

General and administrative. During the year ended December 31, 2010, general and administrative expense increased $14.5 million compared to the year ended December 31, 2009, for the following reasons: (1) increases of $4.5 million and $3.9 million in personnel and depreciation, respectively, relating to the operations of our facilities in Maryland and North Carolina, which were in operation for a full year for the first time in 2010; and (2) an increase of $5.3 million in grants to unaffiliated, not-for-profit organizations that provide therapy-related financial assistance and programs to patients suffering from PAH.

Sales and marketing. The increase in sales and marketing expenses of $5.7 million for the year ended December 31, 2010, compared to the year ended December 31, 2009, related primarily to increases of $4.6 million in payroll-related expenses as a result of the growth of our sales force and marketing staff and $1.1 million in marketing consultant fees incurred in connection with the recent commercialization of Tyvaso and Adcirca.

Share-based compensation. The increase in share-based compensation of $3.1 million for the year ended December 31, 2010, compared to the year ended December 31, 2009, can be attributed to our STAP awards.

Income Tax Expense. The provision for income taxes was $41.9 million for the year ended December 31, 2010. For the year ended December 31, 2009, we recognized an income tax benefit of $695,000 as a result of the business tax credits generated from our drug-related research and development activities.

Years ended December 31, 2009 and 2008

The following table presents the components of net revenues (dollars in thousands):

	For Years Ended December 31,		Percentage Change
	2009	2008	
Cardiopulmonary products:			
Remodulin	$ 331,579	$ 269,718	22.9%
Tyvaso	20,268	—	100.0%
Adcirca	5,789	—	100.0%
Telemedicine services and products	10,968	9,485	15.6%
License fees	$ 1,244	$ 2,294	(45.8)%
Total revenues	$ 369,848	$ 281,497	31.4%

The growth in revenues experienced during 2009 resulted in large part from the increase in the number of patients prescribed Remodulin and the commercial launches of both Tyvaso and Adcirca.

For the years ended December 31, 2009 and 2008, approximately 88% and 89%, respectively, of net Remodulin revenues were earned from our three distributors located in the United States. 100% of our Tyvaso revenues were earned from the same three distributors. Adcirca revenues are earned from sales to national and regional pharmaceutical wholesalers.

The table below presents a reconciliation of the liability accounts associated with estimated government and third-party rebates, prompt pay discounts, fees due to our distributors for services, allowances for sales returns, and the net reductions to revenues related to these items (in thousands):

	For Years Ended December 31,	
	2009	2008
Liability accounts, at beginning of period	$ 4,096	$ 2,879
Additions to liability attributed to sales in:		
Current period	21,338	14,498
Prior period	—	129
Payments or reductions attributed to sales in:		
Current period	(13,979)	(10,725)
Prior period	(4,816)	(2,685)
Liability accounts, at end of period	$ 6,639	$ 4,096
Net reductions to revenues	$ 21,338	$ 14,627

The table below summarizes research and development expense by major project and non-project components (dollars in thousands):

	For Years Ended December 31,		Percentage Change
	2009	2008	
Project and non-project:			
Cardiopulmonary	$ 61,574	$ 60,549	1.7%
License fees—Adcirca	—	150,000	(100.0)%
Share-based compensation	36,294	16,200	124.0%
Other	24,320	12,432	95.6%
Total research and development expense	$ 122,188	$ 239,181	(48.9)%

Cardiopulmonary license fees-Adcirca. During the year ended December 31, 2008, we expensed $150.0 million of upfront fees that we paid to Lilly in connection with the licensing and commercialization of Adcirca. There were no comparable transactions entered into during the year ended December 31, 2009.

Share-based compensation. The increase in share-based compensation expense of $20.1 million for the year ended December 31, 2009, compared to the year ended December 31, 2008, can be attributed to our STAP awards.

Other. The increase in other research and development expenses of approximately $11.9 million during the year ended December 31, 2009, compared to those for the year ended December 31, 2008, corresponded mainly to an increase in expenditures related to our investigational projects, including those within our monoclonal antibody and glycobiology antiviral agent therapeutic platforms, and an increase in personnel and overhead costs related to supporting research and development. Research and development expenses for our individual disease platforms includes only direct labor and out-of-pocket expenses, and excludes overhead and indirect personnel costs.

The table below summarizes selling, general and administrative expense by major category (dollars in thousands):

	For Years Ended December 31,		Percentage Change
	2009	2008	
Category:			
General and administrative	$ 68,606	$ 41,284	66.2%
Sales and marketing	43,593	32,899	32.5%
Share-based compensation	64,139	20,123	218.7%
Total selling, general and administrative expense	$ 176,338	$ 94,306	87.0%

General and administrative. During the year ended December 31, 2009, general and administrative expense increased $27.3 million as compared to the year ended December 31, 2008, for the following reasons: (1) an impairment charge of $4.2 million recognized on three of our Silver Spring, Maryland, properties that were demolished in 2010 in connection with commencement of construction on the last phase of our Silver Spring headquarters campus; (2) increases in professional fees of approximately $4.2 million for the year ended December 31, 2009, related to our ongoing litigation, review of potential acquisitions, entering new license agreements, and other matters; (3) $3.7 million of expenses for validation work to manufacture Remodulin using a larger batch size and on different equipment; and (4) an increase in general operating expenses of $13.7 million resulting from our overall growth.

Sales and marketing. The increases in sales and marketing expenses of approximately $10.7 million for the year ended December 31, 2009, compared to the year ended December 31, 2008, related primarily to increased expenses for the commercialization of our two new products, Tyvaso and Adcirca.

Share-based compensation. For the year ended December 31, 2009, share-based compensation increased by $44.0 million over the same period in 2008. During the quarter ended December 31, 2008, we reversed approximately $6.4 million in estimated compensation expense that had been accrued through September 30, 2008, for a potential year-end stock option grant to our Chief Executive Officer, which is based on a formula set forth in her employment agreement. Our Chief Executive Officer did not receive a stock option grant for the year ended December 31, 2008. At the end of 2009, our Chief Executive Officer received a year-end stock option grant in accordance with the formula in her employment agreement, and we recognized approximately $14.5 million in share-based compensation expense for the year ended December 31, 2009. The remainder of the increase in share-based compensation expense can be attributed to our STAP awards.

Income Tax Benefit. As a result of the net losses we incurred before income taxes, we recognized income tax benefits of $34.4 million for the year ended December 31, 2008. For the year ended December 31, 2009, we recognized income tax benefits of approximately $695,000 from the business tax credits we generated from our orphan drug-related research and development activities.

Liquidity and Capital Resources

Since FDA approval of Remodulin in 2002, funding for our operations has been derived principally from sales of Remodulin. Sales of Tyvaso and Adcirca, which were commercially launched in the third quarter of 2009, have supplemented our revenues. We believe that our current liquidity is sufficient to repay amounts that will become due in October 2011 relating to our Convertible Senior Notes and that existing revenues and related collections will be adequate to fund our ongoing operations as demand for our commercial products is expected to grow. Furthermore, our customer base remains stable and, we believe, presents minimal credit risk; however, any projections of future cash flows are inherently subject to uncertainty. To compensate for such uncertainty, we may seek other sources of funding and

believe we have the ability to do so. See *Item 1A—Risk Factors—We have a history of losses and may not maintain profitability* and *Item 1A—Risk Factors—We may fail to meet third-party projections for our revenues or profits* .

Operating Cash Flows and Working Capital

Net cash provided by operating activities was $211.5 million for the year ended December 31, 2010, compared to $99.7 million in net cash provided by operating activities for the year ended December 31, 2009. The increase in net cash provided by operating activities was driven largely by increases in net income of $86.5 million and deferred taxes of $43.0 million, offset partly by an increase in tax benefits recognized in connection with stock option exercises of $19.4 million.

At December 31, 2010, we had working capital of $335.8 million, compared to working capital deficit of $5.7 million at December 31, 2009. The increase in working capital at December 31, 2010 of $341.5 million reflected increases in cash and cash equivalents and marketable investments of $397.6 million as a result of (1) increases in sales of pharmaceutical products of $234.1 million and related collections; (2) proceeds received upon the closing of $70.0 million mortgage financing arrangement in December 2010; and (3) $52.5 million in proceeds received from the exercise of stock options less payments for the exercise of awards granted under the STAP.

We have not entered into any short-term borrowing arrangements to fund our working capital requirements and have no current plans to do so. Debt that has been classified as current includes (1) the Senior Convertible Notes (maturing in October 2011) and (2) the current portion of our four-year, $70.0 million mortgage facility which we entered into in December 2010.

In addition, at December 31, 2010, we had approximately $132.5 million of long-term (meaning the security will mature more than one year from December 31, 2010) marketable securities that could be liquidated if necessary to fund our operations.

Lastly, there were approximately 5.8 million shares of vested stock options outstanding at December 31, 2010, with a weighted average exercise price of $35.68 per share. These vested stock options, if exercised, would provide us with additional liquidity.

Construction Projects

Our facility in Research Triangle Park, North Carolina (RTP Facility) consists of approximately 200,000 square feet of space and includes manufacturing, warehouse and office space. Currently, we plan to begin construction in the first half of 2011 to expand the RTP Facility to provide additional warehousing, packaging and office space to accommodate projected future growth. We expect to complete the approximately 180,000 square foot expansion of our RTP Facility by mid-2012 at an anticipated cost of approximately $74.0 million, which includes construction, equipment and other related costs.

Our previous corporate headquarters and two adjoining buildings that were located adjacent to our Silver Spring facility were demolished in September 2010 to begin the construction of a new office building to serve as part of our corporate headquarters campus. We anticipate total construction costs of approximately $58.0 million and expect to complete this office facility during the fourth quarter of 2011.

During the year ended December 31, 2010, we spent $5.7 million related to these construction projects.

Share Tracking Awards Plan

Awards granted under the STAP entitle participants to receive in cash the appreciation in our common stock, which is calculated as the increase in the closing price of our common stock on the date of grant and the date of exercise. Depending on the future price movements of our common stock, cash requirements associated with the exercise of awards could be significant. We incorporate anticipated cash outlays relating to the STAP in our operating budgets and have modified the metrics used in determining the number of awards to be granted in order to decrease the size of related grants. In addition, since November 2009, we have increased the vesting period for awards granted from three years to four years. During the first quarter of 2011, we expect to increase the pool of available STAP awards by approximately 2.0 million awards, primarily to accommodate anticipated grants under our long-term incentive bonus and compensation plan.

Mortgage Financing

On December 27, 2010, we entered into a Credit Agreement with Wells Fargo Bank, National Association (Wells Fargo) and Bank of America, N.A., pursuant to which we obtained $70.0 million in debt financing. Proceeds from the loan were used to pay off the synthetic lease arrangement with Wachovia (discussed below) and will also be used to help fund working capital requirements. The Credit Agreement has a forty-eight month term maturing in December 2014 and is secured by a first mortgage lien on our RTP Facility and our Silver Spring facility. Annual principal payments will be based on a twenty-five year amortization schedule using a fixed rate of interest of 7.0 percent; accordingly, a principal balance of approximately $66.6 million will be due at maturity. Outstanding debt will bear a floating rate of interest per annum based on the one month London Interbank Offer Rate (LIBOR), plus a credit spread of 3.75 percent, or approximately 4.0 percent as of December 31, 2010. Alternatively, we have the option to change the rate of interest charged on the loan to 2.75 percent plus the greater of: (1) Wells Fargo's prime rate, or (2) the federal funds effective rate plus 0.05 percent, or (3) LIBOR plus 1.0 percent. The Credit Agreement also permits prepayment of the outstanding loan balance in its entirety at specified intervals. The prepayment premium is initially 1.5 percent if the debt is prepaid within the first six-months of the term and declines in 0.5 percent increments at each successive six-month interval such that there is no premium if the loan is prepaid after December 2012.

The Credit Agreement subjects us to the following financial covenants: (1) a maximum consolidated leverage ratio of 2.5:1.00, calculated as the ratio of our consolidated indebtedness to "Consolidated EBITDA", which is defined as consolidated net income, adjusted for the following as applicable: (i) interest expense; (ii) income taxes; (iii) non-cash license fees; (iv) depreciation and amortization; (v) impairment charges; and (vi) share-based compensation (stock option and share tracking award expense), to be measured as of the last day of each fiscal quarter on a rolling four quarter basis; and (2) minimum liquidity of no less than $150.0 million. Under the Credit Agreement, minimum liquidity is defined as the sum of our cash and cash equivalents, plus the fair value of our marketable investments as of the last day of a fiscal quarter less the sum of indebtedness that matures within the next twelve months and the liability related to vested STAP Awards in excess of $50.0 million. In addition, the Credit Agreement subjects us to various customary negative covenants. As of December 31, 2010, we were in compliance with the preceding covenants.

Lease Obligation

Until December 2010, we leased our Phase I Laboratory, the first completed building in our current Silver Spring facility, pursuant to a synthetic lease arrangement entered into in June 2004 with Wachovia Development Corporation and its affiliates (Wachovia), now an affiliate of Wells Fargo. Under the lease, Wachovia funded $32.0 million toward the construction of the Phase I Laboratory on land that we own. After completing construction in May 2006, Wachovia leased the Phase I Laboratory

to us. The base term of the lease was scheduled to end in May 2011, at which time we had planned to exercise our option to purchase the Phase I Laboratory for approximately $32.0 million. However, in order to secure the Credit Agreement, we terminated the lease and acquired title to the Phase I Laboratory for $32.0 million in December 2010. Upon termination of the lease, $35.1 million of cash and marketable investments held as collateral under the lease was released.

Convertible Senior Notes

On October 30, 2006, we issued at par value $250.0 million of Convertible Senior Notes. We pay interest on the Convertible Senior Notes semi-annually on April 15 and October 15 of each year. The Convertible Senior Notes are unsecured, unsubordinated debt obligations that rank equally with all of our other unsecured and unsubordinated indebtedness.

Conversion can occur: (1) any time after July 15, 2011; (2) during any calendar quarter that follows a calendar quarter in which the price of our common stock exceeded 120% of the conversion price for at least 20 days during the 30 consecutive trading-day period ending on the last trading day of the quarter; (3) during the ten consecutive trading-day period following any five consecutive trading-day period in which the trading price of the Convertible Senior Notes was less than 95% of the closing price of our common stock multiplied by the then current number of shares underlying the Convertible Senior Notes; (4) upon specified distributions to our shareholders; (5) in connection with corporate transactions; or (6) in the event that our common stock ceases to be listed on the NASDAQ Global Select Market and is not listed for trading on another U.S. national or regional securities exchange.

Upon conversion, a holder of our Convertible Senior Notes will receive: (1) cash equal to the lesser of the principal amount of the note or the conversion value (equal to the number of shares underlying the Convertible Senior Notes multiplied by the then current conversion price per share); and (2) to the extent the conversion value exceeds the principal amount of the Convertible Senior Notes, shares of our common stock. In the event of a change in control, as defined in the indenture under which the Convertible Senior Notes have been issued, holders can require us to purchase from them all or a portion of their Convertible Senior Notes for 100% of the principal value plus any accrued and unpaid interest.

Because the Convertible Senior Notes include contingent conversion provisions, Note Holders may be able to convert their Convertible Senior Notes prior to October 2011. As of December 31, 2010, the Convertible Senior Notes were convertible at the election of their holders as the closing price of our common stock satisfied quarterly contingent conversion requirements.

Common Stock Subject to Repurchase

Pursuant to a March 2007 amendment to our June 2000 agreement with Toray, we issued 400,000 shares of our common stock to Toray in March 2007. The terms of our amended agreement expand our rights to develop beraprost-MR and give Toray the right to request that we repurchase these shares at their issuance price of $27.21 per share upon 30 days prior written notice. To date, Toray has not notified us that it intends to ask us to repurchase these shares.

License Fees

Under our existing license agreements, we are obligated to make royalty payments on net sales of Remodulin and Tyvaso at a rate of ten percent of net sales, as defined under the agreements, once the annual combined net sales exceed $25.0 million. In addition, we pay Lilly a five percent royalty on net sales of Adcirca.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements within the meaning of Item 303(a)(4) of Regulation S-K.

Contractual Obligations

At December 31, 2010, we had the following contractual obligations (in thousands):

	Payments Due by Period				
	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
Convertible Senior Notes (1)	$ 250,000	$ 250,000	$ —	$ —	$ —
Mortgage Loan(2)	70,000	1,100	2,400	66,500	—
Obligations under construction commitments(3)	133,900	87,700	46,200	—	—
Operating lease obligations	17,800	4,400	5,000	3,600	4,800
Obligations under the STAP(4)	165,300	129,800	31,000	4,500	—
Obligations under the SERP(5)	24,200	—	—	24,200	—
Purchase commitments	20,800	20,800	—	—	—
Milestone payments(6)	17,800	2,700	5,200	3,600	6,300
Total(7)	$ 699,800	$ 496,500	$ 89,800	$ 102,400	$ 11,100

(1) The principal balance of the Convertible Senior Notes is to be repaid in cash.

(2) Principal payments are based on the assumption that we will not elect to exercise our prepayment option during the forty-eight month term of the loan. Refer to Note 9— *Debt* to our consolidated financial statements included in this Annual Report on Form 10-K for details on this arrangement.

(3) Represents amounts budgeted for our construction projects, although these amounts are not contractually committed at December 31, 2010.

(4) We estimated the obligation based on the intrinsic value of outstanding STAP awards expected to vest as of December 31, 2010 assuming that awards will be exercised immediately upon vesting. Refer to Note 8— *Share Tracking Awards Plan* to our consolidated financial statements included in this Annual Report on Form 10-K for further details.

(5) Obligations under the SERP are actuarially derived and represent the estimated future payouts of benefits to certain members of our management team. Refer to Note 14— *Employee Benefit Plans* to our consolidated financial statements included in this Annual Report on Form 10-K for comprehensive disclosures relating to the SERP.

(6) We license certain rights to products from other companies under various license arrangements. These arrangements require that we make specified cash payments upon the achievement of certain product development and commercialization milestones. The timing and amounts of related milestone payments have been estimated based on: (1) when we believe milestones will be achieved; and (2) a probability-weighted assumption, based on industry standards, that the milestones established within these license agreements will be successfully attained.

(7) As of December 31, 2010, we had $7.4 million of unrecognized tax benefits. The contractual obligations disclosed above exclude these amounts due to the uncertainty surrounding the amounts and timing of future payments.

Summary of Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with generally accepted accounting principles in the United States (GAAP). GAAP requires that we make estimates and assumptions that affect the amounts reported in our consolidated financial statements. As additional information becomes available, these estimates and assumptions can change and impact amounts reported in the future. We have identified the following accounting policies, which require the use of our judgment and

estimation in their application. We consider these policies to be critical because of the degree of judgment that is inherent in their application.

Revenue Recognition

Remodulin and Tyvaso

We sell both Remodulin and Tyvaso to our specialty pharmaceutical distributors under similar contractual arrangements. Sales of Remodulin and Tyvaso are recognized when title and risk of ownership pass to our distributors upon satisfactory delivery to our distributors' facilities—i.e., when all of our performance obligations under these distributor arrangements have been satisfied. We record sales of Remodulin and Tyvaso net of various product sales allowances in the period that associated revenues are recognized. These sales allowances include estimated rebates and other reimbursements, prompt payment discounts and service fees to our distributors. Calculating these sales allowances involves the use of significant estimates and judgments and information from external sources.

Estimates for accruals and related revenue reductions for rebates and reimbursements are derived from an analysis of historical levels of rebates/reimbursements to both state Medicaid agencies and third-party payers by product, relative to sales of each product. In formulating our estimates, we also consider the impact of anticipated changes in product sales trends and government rebate programs, particularly as they relate to eligibility requirements and/or rebate pricing. We analyze rebate data separately for Remodulin and Tyvaso, as these therapies have been developed to treat PAH patients at different stages in the disease continuum and therefore, rebate eligibility and pricing requirements can differ for each therapy.

Prompt pay discounts are calculated based on the gross amount of invoices and are recorded on a net basis as our distributors have routinely taken advantage of these discounts.

We pay our distributors for contractual services rendered. Accruals for these fees are estimated based on contracted rates applied to the estimated units of service provided by distributors for a given period.

Our distributors do not possess return rights; however, we provide exchange rights in the event that product was damaged during shipment, or has expired. The shelf life of Remodulin and Tyvaso is three years from the date of manufacture. The number of product exchanges requested by our distributors has been minimal because we sell Remodulin and Tyvaso with a shelf life generally in excess of one year before their expiration and our distributors typically carry a 30- to 60-day inventory supply of our products. In addition, we do not require, nor do we provide incentives for our distributors to assume inventory levels of Remodulin or Tyvaso beyond what would be considered reasonable and customary in the ordinary course of business and we closely track inventory levels in the distribution channels. Accordingly, exchanges for expired product have been minimal. In addition, exchanges for damaged product are highly infrequent. When Remodulin or Tyvaso has been damaged during shipment and we have been promptly notified as required under our distributor arrangements, we do not recognize revenue on that shipment until the damaged product has been replaced, generally within several days after we are notified of the damage.

The financial effects of exchange rights for Remodulin have been immaterial and we expect the volume of exchanges to be consistent with historical levels. Obsolescence due to dating expiration has also been minimal given the fast pace at which Remodulin moves through the distribution channel. Specifically, Remodulin exchanges have comprised substantially less than one percent of the volume of vials that we sell. Because historical and anticipated future exchanges of Remodulin have been, and are expected to be, immaterial, we do not record a reserve for estimated exchange rights in the period of sale. Furthermore, because Tyvaso is distributed in the same manner and under similar contractual arrangements as Remodulin, the level of product exchanges for Tyvaso has been, and is expected to

remain, comparable to that for Remodulin. Since its commercial launch, there have not been any Tyvaso exchanges. Accordingly, we have not recognized a reserve for anticipated future exchanges of Tyvaso. Lastly, we closely monitor exchange data for both of these therapies to ensure that our assumptions continue to be reasonable, appropriate and current.

Adcirca

Adcirca is manufactured for us by Lilly and distributed through Lilly's pharmaceutical wholesaler network. Specifically, Lilly handles all of the administrative functions associated with the sale of Adcirca on our behalf, including the receipt and processing of customer purchase orders, shipment of Adcirca to customers, and the invoicing and collection of customer payments. In addition, sales terms for Adcirca include return rights that extend throughout the distribution channel. We recognize sales of Adcirca on a gross basis (net of allowances) upon delivery to customers due to the following factors: (1) we are responsible for the acceptability of the product purchased by wholesalers; (2) we bear all inventory risk, as title and risk of loss pass to us at the shipping point from Lilly's manufacturing facility; (3) we assume credit risk if Lilly is unable to collect amounts due from customers; and (4) we assume the risk and cost of a product recall, if required.

Adcirca revenues are recognized net of the following sales allowances: reserves for product returns, rebates for Medicaid and third-party payers, prompt pay discounts and wholesaler fees. Calculation of these allowances involves the use of significant judgment and estimates. Until we have sufficient historical data to base estimates for product returns, we have based initial estimates for returns on published industry data related to specialty pharmaceuticals, which is the segment most relevant to Adcirca. In addition, we compare patient prescription data to sales on a quarterly basis to ensure a reasonable relationship between prescription and sales patterns. Allowances for Medicaid and other third-party payer rebates are derived from an analysis of historical levels of rebates/reimbursements to both state Medicaid agencies and third-party payers. Prompt pay discounts are based on contractual terms with distributors, and they typically have taken advantage of such discounts. Lastly, wholesaler fees are based on the contractual fee percentage for each wholesaler relative to sales to that wholesaler.

Share-based Compensation

Our share-based awards are classified as either equity (stock options) or as liabilities (STAP awards), and we recognize related share-based compensation expense based on the fair value of awards. We estimate the fair value of all share-based awards using the Black-Scholes-Merton valuation model. Valuation models, like the Black-Scholes-Merton model, require the use of subjective assumptions that could materially impact the estimation of fair value and related compensation expense to be recognized. These assumptions include, among others, the expected volatility of our stock price, the expected term of awards and the expected forfeiture rate. Developing these assumptions requires the use of judgment.

Marketable Investments

Substantially all of our marketable securities are classified as held-to-maturity. For marketable investments whose fair value is lower than their book value, we are required to periodically review whether the decline in the value of these securities are other than temporary. This review requires us to make judgments, particularly as they relate to: (1) the extent and duration of a decline in the fair value of a security; (2) the probability, extent and timing of a recovery of a security's value; (3) our assessment as to whether it is more likely than not that we will be required to sell a security prior to recovery of its amortized cost; and (4) our estimation of the present value of the cash flows we would expect to collect that are attributable to an impaired debt security to determine whether a credit loss exists. The scope of this evaluation requires forward-looking assessments pertaining to a security and

the relevant financial markets, an issuer's financial condition and business outlook, and our estimation of the value of cash flows we would expect to collect from an issuer upon maturity of an impaired security. Accordingly, we must make assessments regarding current conditions and future events, which involve a considerable degree of uncertainty and judgment. When we determine that the decline in value of a security is other than temporary, we are required to recognize the credit loss portion as a charge within our consolidated statement of operations.

In addition, we classify certain marketable investments as held-to-maturity because we believe we have the positive intent and ability to hold related securities until they mature. This assertion requires us to make forward-looking judgments regarding our future cash flow requirements relative to the maturity dates of such securities. To reduce the level of uncertainty associated in making this determination, we invest in debt securities that mature within two years.

Fair Value Measurements

We are required to disclose assets and liabilities subject to fair value measurements within a specified fair value hierarchy. The fair value hierarchy gives the highest priority to fair value measurements based on unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to fair value measurements derived through the use of unobservable inputs (Level 3 measurements). Assets and liabilities are classified within the fair value hierarchy, in their entirety, based on the lowest level input that is significant to the related fair value measurement. Determining where a particular asset or liability should be disclosed within the hierarchy involves judgment regarding the significance of inputs relative to a fair value measurement and where such inputs lie within the hierarchy. Furthermore, assets and liabilities that are not actively traded may have little or no price transparency. As such, estimating the fair value of Level 3 assets and liabilities involves the use of significant subjective assumptions that we believe market participants would consider in pricing. We often employ a discounted cash flow model to help us estimate the fair value of our Level 3 assets and liabilities. Inputs to the model that involve a significant degree of judgment include estimating the amounts and timing of expected cash flows and determining a suitable discount rate.

Investment in Affiliate

We use the equity method of accounting for our investment in Northern Therapeutics, Inc. (Northern). The equity method of accounting requires that we report our share of Northern's net losses or earnings in our consolidated financial statements. Consolidation is not required unless we possess the ability to control Northern. Generally, the ability to exercise control over an entity occurs when voting interests in that entity exceed 50%. We maintain an ownership interest in Northern of approximately 68%. However, because Northern's minority owners have substantive participation rights, we concluded that we do not have the ability to control Northern's operations. Therefore, Northern's financial statements have not been included in our consolidated financial statements.

Income Taxes

Income taxes are accounted for in accordance with the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some or all of the deferred tax assets will not be realized. Evaluating the realizability of deferred assets requires us to review forecasts of earnings and taxable income, among other considerations. Accordingly, the evaluation process as it relates to the realizability of deferred tax

assets requires us to make significant judgments and forward-looking assessments regarding the amounts and availability of future taxable income.

Financial statement recognition of a tax position taken or expected to be taken in a tax return is determined based on a more likely than not threshold of that position being sustained. If the tax position meets this threshold, the benefit to be recognized is measured as the largest amount that is more than 50 percent likely to be realized upon ultimate settlement. Accounting for uncertain tax positions involves considerable judgment in assessing the future tax consequences of amounts that have been recognized in our financial statements or tax returns. The ultimate resolution of uncertain tax positions could result in amounts different from those recognized on our consolidated financial statements.

Goodwill and Intangible Assets

We are required to test goodwill at the reporting unit level for impairment annually or more frequently if impairment indicators exist. Evaluating goodwill for impairment requires judgment particularly as it relates to determining the fair value of a reporting unit to which goodwill has been assigned. We often use a discounted cash flow model to test goodwill for impairment, which involves the use of significant and subjective inputs. Inputs requiring our judgment include, among others, the estimation of the amounts and timing of future cash flows and future growth rates and profitability of a reporting unit. Changes in our business strategy or adverse changes in market conditions could impact impairment analyses and require the recognition of an impairment charge equal to the excess of the carrying value of goodwill over its implied estimated fair value.

We also test our intangible assets for impairment annually or more frequently if impairment indicators exist. Evaluating intangible assets for impairment requires judgment particularly as it relates to determining the fair value of the license or business to which the intangible asset relates. We must project cash flows to test an intangible asset for impairment, which involves the use of significant and subjective inputs. Related inputs, among others, requiring our judgment include the estimation of the amounts and timing of future cash flows and future growth rates and profitability of business activity. Changes in our business strategy or adverse changes in market conditions could impact impairment analyses and require the recognition of an impairment charge equal to the extent that undiscounted cash flows are less than the carrying value of an intangible asset.

Pension Benefit Obligation

Accounting for our SERP requires that we recognize on our consolidated balance sheet a liability equal to the unfunded status of the SERP (equal to the projected benefit obligation, as we do not fund the SERP) and measure our projected benefit obligation as of the end of our fiscal year. Estimating the SERP obligation involves the use of judgment and estimates. The SERP obligation and related pension expense are derived from actuarial valuations that are developed using a number of assumptions. A key assumption to the valuation is the discount rate. The discount rate should be representative of the rate associated with high-quality, fixed-income debt securities. With the overall economic downturn and the tightening of the credit markets that began in 2008, interest rates, in general, have declined. We must consider these economic factors when determining an appropriate discount rate to employ. Consequently, the discount rate we use to measure our obligation has decreased over each of the years ended December 31, 2010 and 2009. Changes in the discount rate can significantly decrease or increase our SERP obligation. For instance, a reduction in the discount rate would increase our projected benefit obligation, result in an actuarial loss and possibly cause additional pension expense to be recognized in future financial reporting periods on our consolidated statements of operations if certain thresholds have been met as of the beginning of a given financial reporting period. Other actuarial assumptions include participant demographics such as the expected rate of salary increases and withdrawal rates, among other factors. Actual experience may differ from actuarial

assumptions. Changes in any of these assumptions can also affect the measurement of the SERP obligation.

Recently Issued Accounting Standards

In December 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-28, *Intangibles—Goodwill and Other (Topic 350)—When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts* (ASU 2010-28). ASU 2010-28 modifies the first step of the goodwill impairment test for reporting units with zero or negative carrying amounts. If the carrying amount of a reporting unit is zero or negative, the second step of the impairment test must be performed to measure the amount of impairment loss, if any, when it is more likely than not that a goodwill impairment exists. In considering whether it is more likely than not that a goodwill impairment exists, an entity shall evaluate whether any adverse qualitative factors exist. ASU No. 2010-28 is effective for fiscal years and interim periods within those years beginning after December 15, 2010. We are currently assessing what, if any, impact the adoption of ASU 2010-28 will have on our consolidated financial statements.

In April 2010, the FASB issued ASU No. 2010-17, *Revenue Recognition—Milestone Method* (ASU No. 2010-17). ASU No. 2010-17 sets forth guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate for research and development arrangements. Specifically, consideration that is contingent upon the completion of a milestone may be recognized in its entirety as revenue in the period that the milestone has been achieved if the milestone, in its entirety, meets all of the criteria to be considered substantive at the inception of a research and development arrangement. ASU No. 2010-17 is effective prospectively for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010 and applies to research or development deliverables under which the performance obligation is satisfied over a period of time and a portion, or all, of the consideration is contingent upon uncertain future events or circumstances. A reporting entity's decision to use the milestone method of revenue recognition is a policy election. ASU No. 2010-17 will be effective for us January 1, 2011 and adoption of this standard will not have any impact on our consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820)—Improving Disclosures about Fair Value Measurements* (ASU No. 2010-06). ASU No. 2010-06 requires: (1) fair value disclosures of assets and liabilities by class; (2) disclosures about significant transfers in and out of Levels 1 and 2 on the fair value hierarchy, in addition to Level 3; (3) purchases, sales, issuances and settlements be disclosed on a gross basis on the reconciliation of beginning and ending balances of Level 3 assets and liabilities; and (4) disclosures about valuation methods and inputs used to measure the fair value of Level 2 assets and liabilities. ASU No. 2010-06 became effective for the first financial reporting period beginning after December 15, 2009, except for disclosures about purchases, sales, issuances and settlements of Level 3 assets and liabilities, which will be effective for fiscal years beginning after December 15, 2010. Adoption of the currently effective provisions of ASU No. 2010-06 had no impact on our consolidated financial statements. Level 3 disclosure requirements regarding gross presentation of purchases, sales, issuances and settlements are not expected to impact our consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-17, *Consolidations (Topic 810)—Improvements to Financial Reporting By Enterprises Involved with Variable Interest Entities* (ASU No. 2009-17). ASU 2009-17 requires a qualitative approach for determining the primary beneficiary of a variable interest entity and replaces the quantitative evaluation previously set forth under FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities* . This approach is focused on identifying the reporting entity that has the ability to direct the activities of a variable interest entity that most significantly affects the entity's economic performance and has the obligation to absorb the entity's losses or has the right to receive benefits from the entity. ASU No. 2009-17, among other

things, will require enhanced disclosures about a reporting entity's involvement in variable interest entities. The guidance under ASU No. 2009-17 became effective for the first annual period beginning after November 15, 2009, and interim periods within that first annual period. Adoption of ASU 2009-17 did not have a material impact on our consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-13, *Revenue Recognition (Topic 605)—Multiple-Deliverable Revenue Arrangements: a consensus of the FASB Emerging Issues Task Force* (ASU 2009-13). ASU 2009-13 establishes a selling-price hierarchy for determining the selling price of each element within a multiple-deliverable arrangement. Specifically, the selling price assigned to each deliverable is to be based on vendor-specific objective evidence (VSOE) if available, third-party evidence if VSOE is unavailable, and estimated selling prices if neither VSOE or third-party evidence is available. In addition, ASU 2009-13 eliminates the residual method of allocating arrangement consideration and instead requires allocation using the relative selling price method. ASU 2009-13 will be effective prospectively for multiple-deliverable revenue arrangements entered into, or materially modified, in fiscal years beginning on or after June 15, 2010. ASU 2009-13 will be effective for us on January 1, 2011 and adoption of this standard will not have any impact on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of December 31, 2010, we have invested $507.4 million in debt securities issued by corporations and federally sponsored agencies. The market value of these investments varies inversely with changes in current market interest rates. In general, as rates increase, the market value of a debt investment would be expected to decrease. Conversely, as rates decrease, the market value of a debt investment would be expected to increase. To address market risk, we invest in debt securities that mature within two years and intend to hold these investments to maturity so that they can be redeemed at their stated or face value. At December 31, 2010, our investments in debt securities issued by corporations and federally-sponsored agencies had a weighted average stated interest rate of approximately 0.44 percent. These investments mature at various times through 2012 and many are callable annually.

There has been an extended period of instability in the financial markets. Such periods of uncertainty in the financial markets expose us to additional investment risk. The value and liquidity of the securities in which we invest could deteriorate and the issuers of such securities could be subject to credit rating downgrades. In light of these risks, we actively monitor market conditions and developments specific to the securities and security classes in which we invest. We believe that we take a conservative approach to investing our funds in that we invest exclusively in highly rated securities with relatively short maturities. While we believe we take prudent measures to mitigate investment related risks, such risks cannot be fully eliminated, as circumstances can occur that are beyond our control.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

UNITED THERAPEUTICS CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
United Therapeutics Corporation

We have audited the accompanying consolidated balance sheets of United Therapeutics Corporation as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15 (a)(2). 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Therapeutics Corporation at December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, 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.

We also have audited, in accordance with the Standards of the Public Company Accounting Oversight Board (United States), United Therapeutics Corporation's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
February 24, 2011

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

The Board of Directors and Shareholders
United Therapeutics Corporation

We have audited United Therapeutics Corporation's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). United Therapeutics Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying *Management's Report on Internal Control Over Financial Reporting* . Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's 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 of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion United Therapeutics Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2010 consolidated financial statements of United Therapeutics Corporation, and our report dated February 24, 2011, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
February 24, 2011

UNITED THERAPEUTICS CORPORATION

Consolidated Balance Sheets

(In thousands, except share and per share data)

	December 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 252,162	$ 100,352
Marketable investments	374,921	129,140
Accounts receivable, net of allowance of none for 2010 and 2009	73,707	50,626
Other current assets	6,840	2,638
Prepaid expenses	8,752	8,199
Inventories, net	35,520	26,360
Deferred tax assets	12,585	7,192
Total current assets	764,487	324,507
Marketable investments	132,849	148,628
Marketable investments and cash—restricted	5,122	39,976
Goodwill and other intangible assets, net	9,861	18,418
Property, plant, and equipment, net	306,044	303,859
Deferred tax assets, net	202,135	200,969
Other assets (None and $6,741, respectively, measured under the fair value option)	11,137	15,187
Total assets	$ 1,431,635	$ 1,051,544
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 16,146	$ 18,750
Accrued expenses	50,280	29,764
Convertible notes	235,968	220,272
Other current liabilities	126,292	61,401
Total current liabilities	428,686	330,187
Mortgage payable—non current	68,929	—
Lease obligation	—	30,327
Other liabilities	39,252	27,139
Total liabilities	536,867	387,653
Commitments and contingencies:		
Common stock subject to repurchase	10,882	10,882
Stockholders' equity:		
Preferred stock, par value $.01, 10,000,000 shares authorized, no shares issued	—	—
Series A junior participating preferred stock, par value $.01, 100,000 shares authorized, no shares issued	—	—
Common stock, par value $.01, 245,000,000 and 100,000,000 shares authorized, 60,017,546 and 56,682,369 shares issued, and 57,555,893 and 54,220,779 shares outstanding at December 31, 2010 and 2009, respectively	600	567
Additional paid-in capital	928,690	798,897
Accumulated other comprehensive loss	(9,175)	(4,314)
Treasury stock at cost, 2,461,653 and 2,461,590 shares at December 31, 2010 and 2009, respectively	(67,399)	(67,395)
Retained earnings (deficit)	31,170	(74,746)
Total stockholders' equity	883,886	653,009
Total liabilities and stockholders' equity	$ 1,431,635	$ 1,051,544

See accompanying notes to consolidated financial statements.

UNITED THERAPEUTICS CORPORATION

Consolidated Statements of Operations

(In thousands, except per share data)

	For Years Ended December 31,		
	2010	2009	2008
Revenues:			
Net product sales	$ 591,881	$ 357,870	$ 270,005
Service sales	10,753	10,751	9,258
License fees	1,197	1,227	2,234
Total revenue	603,831	369,848	281,497
Operating expenses:			
Research and development	166,761	122,188	239,181
Selling, general and administrative	199,600	176,338	94,306
Cost of product sales	67,716	40,890	26,957
Cost of service sales	5,749	4,431	3,109
Total operating expenses	439,826	343,847	363,553
Income (loss) from operations	164,005	26,001	(82,056)
Other income (expense):			
Interest income	2,939	5,146	11,025
Interest expense	(19,714)	(12,875)	(11,439)
Equity loss in affiliate	(160)	(141)	(226)
Other, net	769	636	(1,025)
Total other income (expense), net	(16,166)	(7,234)	(1,665)
Income (loss) before income tax	147,839	18,767	(83,721)
Income tax (expense) benefit	(41,923)	695	34,394
Net income (loss)	$ 105,916	$ 19,462	$ (49,327)
Net income (loss) per common share:			
Basic	$ 1.89	$ 0.37	$ (1.08)
Diluted	$ 1.78	$ 0.35	$ (1.08)
Weighted average number of common shares outstanding:			
Basic	56,142	53,314	45,802
Diluted	59,516	56,133	45,802

See accompanying notes to consolidated financial statements.

UNITED THERAPEUTICS CORPORATION

Consolidated Statements of Stockholders' Equity

(In thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Retained Earnings (Deficit)	Total
	Shares	Amount					
Balance, December 31, 2007	26,629,189	$ 266	$ 613,543	$ 317	$ (231,619)	$ (30,376)	$ 352,131
Net loss	—	—	—	—	—	(49,327)	(49,327)
Foreign currency translation adjustments	—	—	—	(5,489)	—	—	(5,489)
Unrealized loss on available-for-sale securities	—	—	—	(191)	—	—	(191)
Unrealized loss on pension liability	—	—	—	(550)	—	—	(550)
Total other comprehensive loss	—	—	—	(6,230)	—	(49,327)	(55,557)
Issuance of treasury stock	—	—	—	—	164,224	(14,224)	150,000
Exercise of stock options	1,032,962	10	41,926	—	—	—	41,936
Tax benefit from exercises of non-qualified stock options	—	—	38,356	—	—	—	38,356
Share-based compensation	—	—	28,468	—	—	—	28,468
Balance, December 31, 2008	27,662,151	276	722,293	(5,913)	(67,395)	(93,927)	555,334
Net income	—	—	—	—	—	19,462	19,462
Foreign currency translation adjustments	—	—	—	2,802	—	—	2,802
Unrealized gain on available-for-sale securities	—	—	—	44	—	—	44
Unrealized loss on pension liability	—	—	—	(1,247)	—	—	(1,247)
Total other comprehensive income	—	—	—	1,599	—	19,462	21,061
Issuance of stock dividend	28,064,279	281	—	—	—	(281)	—
Exercise of stock options	955,939	10	32,061	—	—	—	32,071
Tax benefit from exercises of non-qualified stock options	—	—	4,406	—	—	—	4,406
Share-based compensation	—	—	40,137	—	—	—	40,137
Balance, December 31, 2009	56,682,369	567	798,897	(4,314)	(67,395)	(74,746)	653,009
Net income	—	—	—	—	—	105,916	105,916
Foreign currency translation adjustments	—	—	—	(642)	—	—	(642)
Unrealized gain on available-for-sale securities	—	—	—	134	—	—	134
Unrealized loss on pension liability	—	—	—	(4,353)	—	—	(4,353)
Total other comprehensive income	—	—	—	(4,861)	—	105,916	101,055
Exercise of stock options	3,335,114	33	83,313	—	—	—	83,346
Stock issued in connection with conversion of Convertible Senior Notes	63	—	3	—	(4)	—	(1)
Tax benefit from exercises of non-							

qualified stock options	—	—	23,826	—	—	—	23,826
Share-based compensation	—	—	22,651	—	—	—	22,651
Balance, December 31, 2010	60,017,546	$ 600	$ 928,690	$ (9,175)	$ (67,399)	$ 31,170	$ 883,886

See accompanying notes to consolidated financial statements.

UNITED THERAPEUTICS CORPORATION

Consolidated Statements of Cash Flows

(In thousands)

	For Years Ended December 31,		
	2010	2009	2008
Cash flows from operating activities:			
Net income (loss)	$ 105,916	$ 19,462	$ (49,327)
Adjustments to reconcile net income (loss) to net cash provided by, (used in), operating activities:			
Depreciation and amortization	17,920	11,394	4,536
Provisions for bad debt and inventory obsolescence	2,398	4,675	586
Share-based compensation	113,942	101,015	28,703
Gains/losses on trading securities	7,688	4,494	1,595
Amortization of debt discount and issue costs	16,839	15,714	14,670
Deferred tax expense (benefit)	41,923	(1,038)	(34,394)
Amortization of discount or premium on investments	2,574	1,551	(999)
Equity loss in affiliate and other	967	(1,848)	(2,514)
Excess tax benefit from share-based compensation	(23,826)	(4,406)	(21,090)
Changes in assets and liabilities:			
Accounts receivable	(23,452)	(21,956)	(2,329)
Inventories	(9,196)	(9,061)	(2,630)
Prepaid expenses	(587)	3,422	(5,682)
Other assets	(4,776)	(196)	(16,123)
Accounts payable	(2,734)	(3,645)	18,509
Accrued expenses	25,612	9,203	3,641
Other liabilities	(59,676)	(29,057)	22,419
Net cash provided by (used in) operating activities	211,532	99,723	(40,429)
Cash flows from investing activities:			
Purchases of property, plant and equipment	(18,640)	(95,400)	(124,415)
Purchases of held-to-maturity investments	(662,225)	(310,634)	(321,363)
Purchases of available-for-sale investments	—	—	(24,600)
Maturities of held-to-maturity investments	421,528	249,083	266,051
Sales of available-for-sale investments	—	—	31,850
Sales of trading investments	36,200	—	—
Acquisition of Tyvaso Inhalation System business	—	(3,568)	—
Restrictions on cash	13,901	(2,099)	(8,766)
Net cash used in investing activities	(209,236)	(162,618)	(181,243)
Cash flows from financing activities:			
Proceeds received from mortgage financing	70,000	—	—
Payments of transaction costs related to the mortgage financing	(1,055)	—	—
Payment of lease obligation	(31,442)	—	—
Proceeds from the sale of treasury stock	—	—	150,000
Proceeds from exercise of stock options	85,427	32,071	41,936
Excess tax benefits from share-based compensation	23,826	4,406	21,090
Net cash provided by financing activities	146,756	36,477	213,026
Effect of exchange rate changes on cash and cash equivalents	2,758	(2,682)	(1,225)
Net increase (decrease) in cash and cash equivalents	151,810	(29,100)	(9,871)
Cash and cash equivalents, beginning of year	100,352	129,452	139,323
Cash and cash equivalents, end of year	$ 252,162	$ 100,352	$ 129,452
Supplemental cash flow information :			
Cash paid for interest	$ 1,818	$ 1,250	$ 1,250
Cash paid for income taxes	$ 22,683	$ 23,931	$ 1,628
Non-cash investing and financing activities:			
Lease obligation incurred	$ —	$ —	$ 29,000
Acquisition of Tyvaso Inhalation System Business	$ —	$ 4,776	$ —
Non-cash additions to property, plant and equipment	$ 2,445	$ 2,571	$ 6,391

See accompanying notes to consolidated financial statements.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements

1. Organization and Business Description

United Therapeutics Corporation is a biotechnology company focused on the development and commercialization of unique products to address the unmet medical needs of patients with chronic and life-threatening conditions. As used in these notes to the consolidated financial statements, unless the context requires otherwise, the terms "we," "us," "our," and similar terms refer to United Therapeutics Corporation and its consolidated subsidiaries.

Our lead product is Remodulin® (treprostinil) Injection (Remodulin), which was initially approved in 2002 by the United States Food and Drug Administration (FDA) for subcutaneous (under the skin) administration. Subsequently, the FDA broadened its approval of Remodulin for intravenous (in the vein) use and for the treatment of patients who require transition from Flolan®, the first drug approved by the FDA for the treatment of PAH. Remodulin is also approved for use in countries outside of the United States, predominantly for subcutaneous administration. In 2009, we received FDA approval for Adcirca® (tadalafil) Tablets (Adcirca) and for Tyvaso® (treprostinil) Inhalation Solution (Tyvaso). We have generated pharmaceutical revenues and license fees in the United States, Canada, the European Union, South America, Central America and Asia. In addition, we have generated non-pharmaceutical revenues from telemedicine products and services in the United States.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements of United Therapeutics and its wholly owned subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires our management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates on assumptions regarding historical experience, currently available information and anticipated developments that we believe are reasonable and appropriate. Consequently, actual results could differ from those estimates. Our significant accounting policies that require use of subjective and/or complex judgment and estimates impact the following financial statement areas: revenue recognition, share-based compensation, marketable investments, fair value measurements, income taxes, goodwill and other intangible assets, and obligations related to our Supplemental Executive Retirement Plan.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivables, accounts payable, and accrued expenses approximate fair value because of their short maturities. The fair values of marketable investments and our 0.50% Convertible Senior Notes due October 2011 (Convertible Senior Notes) are reported in Notes 4— *Marketable Investments* and 5— *Fair Value Measurements* , respectively. The recorded value of our mortgage loan approximates its fair value as it bears a variable rate of interest that we believe approximates the market rate of interest for debt with similar credit risk profiles, terms and maturities. Refer to Note 9— *Debt—Mortgage Financing* .

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The fair value of an asset or liability should represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Such transactions to sell an asset or transfer a liability are assumed to occur in the principal or most advantageous market for the asset or liability. Accordingly, fair value is determined based on a hypothetical transaction at the measurement date, considered from the perspective of a market participant rather than from a reporting entity's perspective.

Assets and liabilities subject to fair value measurement disclosures are required to be classified according to a three-level, fair value hierarchy with respect to the inputs (or assumptions) used in their fair value measurements. Observable inputs such as unadjusted quoted market prices for identical assets or liabilities are given the highest priority within the hierarchy (Level 1). When observable inputs are unavailable, the use of unobservable inputs is permitted—i.e., inputs that a reporting entity believes market participants would use in pricing that are developed based on the best information available. Unobservable inputs are given the lowest priority within the hierarchy (Level 3). The level in which an asset or liability is disclosed within the fair value hierarchy is based on the lowest level input that is significant to the related fair value measurement in its entirety. The guidance under the fair value measurement framework applies to other existing accounting guidance in the Financial Accounting Standard Board (FASB) codification that requires or permits fair value measurements. Refer to related disclosures at Note 5— *Fair Value Measurements* to these consolidated financial statements.

Cash Equivalents

Cash equivalents consist of highly liquid investments with maturities of three months or less from the date of acquisition and include money market funds, commercial paper, and certificates of deposit.

Trade Receivables

Trade receivables consist of short-term amounts due from customers and are stated at the amount we expect to collect. We establish an allowance for doubtful accounts, if any, based on our assessment of the collectability of specific customer accounts.

Marketable Investments

We classify debt securities as held-to-maturity when we have the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are recorded as either current or non-current on our consolidated balance sheet based on their contractual maturity dates and are stated at amortized cost, adjusted for the amortization of discounts or premiums. Related discounts and premiums are amortized over the term of the held-to-maturity securities, as an adjustment to yield, using the effective interest method.

Debt securities that we may acquire with the intention to sell in the near term are classified as trading securities. Trading securities are recorded at fair value with unrealized gains and losses recognized in earnings. During the year ended December 31, 2010, we sold all of our trading securities, which were comprised of auction-rate securities.

We monitor our investment portfolio for impairment quarterly or more frequently if circumstances warrant. In the event that the carrying value of an investment exceeds its fair value and the decline in value is determined to be other-than-temporary, we record an impairment charge within earnings

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

attributable to the estimated credit loss for held-to-maturity debt securities. In determining whether a decline in the value of an investment is other-than-temporary, we evaluate available quantitative and qualitative factors. These factors include, among others, general market conditions, the duration and extent to which fair value has been less than the carrying value, the investment issuer's financial condition and business outlook and our assessment as to whether it is more likely than not that we will be required to sell a security prior to recovery of its amortized cost basis.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market (current replacement cost) and consist of the following, net of reserves (in thousands):

	December 31,	
	2010	2009
Pharmaceutical Products:		
Raw materials	$ 2,788	$ 4,751
Work in progress	18,598	12,101
Finished goods	13,098	8,899
Delivery pumps and supplies and cardiac monitoring equipment	1,036	609
Total inventories	$ 35,520	$ 26,360

Goodwill and Other Intangible Assets

The carrying amount of goodwill is not amortized but subject to annual impairment testing at the reporting unit level. We evaluate goodwill for impairment during the fourth quarter of each year, or more frequently if impairment indicators exist. In determining whether goodwill is impaired, we compare the estimated fair value of the reporting unit to which goodwill has been assigned to its carrying value (Step 1 of the goodwill impairment test). Frequently, we estimate the fair value of a reporting unit by calculating its expected future discounted cash flows based on historical operating results adjusted for anticipated future market and operating trends and forecasts. Estimating the fair value of a reporting unit involves judgment particularly as it relates to the determination of expected future cash flows and a discount rate that is reasonable and appropriate. If the carrying amount of a reporting unit exceeds its fair value, then the amount of an impairment loss, if any, is measured as the excess of the carrying amount of goodwill over its implied fair value (Step 2 of the goodwill impairment test).

On February 7, 2011, we entered into an agreement to sell our wholly-owned subsidiary, Medicomp, Inc. (Medicomp). Based on the estimated fair value of the purchase consideration, we wrote off the entire carrying amount of Medicomp's goodwill. We recognized the cumulative impairment loss of $6.2 million under selling, general and administrative expenses on our consolidated statement of operations for the year ended December 31, 2010. Refer to Note 20— *Subsequent Event* for a description of the agreement to sell Medicomp and the impairment of goodwill.

Intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. Impairment losses are recognized to the extent the undiscounted expected future cash flows associated with the asset are less than its carry amount.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Goodwill and other intangible assets comprise the following (in thousands):

	As of December 31, 2010			As of December 31, 2009		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Goodwill(1)	$ 2,487	$ —	$ 2,487	$ 8,763	$ —	$ 8,763
Other intangible assets(1):						
Technology, patents and tradenames	8,991	(5,368)	3,623	9,364	(4,586)	4,778
Customer relationships and non-compete agreements	4,762	(1,011)	3,751	5,150	(273)	4,877
Total	$ 16,240	$ (6,379)	$ 9,861	$ 23,277	$ (4,859)	$ 18,418

(1) Includes foreign currency translation adjustments.

We are amortizing other intangible assets over an estimated weighted average life of 6.8 years. Related amortization expense for the years ended December 31, 2010, 2009 and 2008, was $1.6 million, $717,000 and $588,000, respectively. As of December 31, 2010, aggregate amortization expense related to intangible assets for each of the five succeeding years and thereafter is estimated as follows (in thousands):

Years ending December 31,	
2011	$ 1,477
2012	1,333
2013	1,310
2014	1,303
2015	1,049
Thereafter	902
	$ 7,374

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. The estimated useful lives of property, plant and equipment by major category are as follows:

Buildings	39 Years
Building improvements	10-39 Years
Furniture, equipment and vehicles	3-15 Years
Holter and event cardiac monitoring systems	3-7 Years
Leasehold improvements	Remaining lease term, or the estimated useful life of the improvement, whichever is shorter

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment consists of the following (in thousands):

	As of December 31,	
	2010	2009
Land	$ 20,236	$ 20,024
Buildings, building improvements and leasehold improvements	239,473	236,198
Buildings under construction	7,241	—
Holter and event cardiac monitoring systems	6,390	5,550
Furniture, equipment and vehicle	70,897	65,430
	344,237	327,202
Less—accumulated depreciation	(38,193)	(23,343)
Property, plant and equipment, net	$ 306,044	$ 303,859

Depreciation expense for the years ended December 31, 2010, 2009 and 2008, was $17.6 million, $10.7 million and $3.9 million, respectively.

"Buildings under construction" at December 31, 2010 consists of direct costs to construct our facilities, including capitalized interest. Our current construction plans include the expansion of our North Carolina facility and our corporate headquarters campus in Maryland. As of December 31, 2010, we estimate that future costs to complete these construction projects will be approximately $127.0 million, and we expect to complete these projects by mid-2012. At December 31, 2010 and 2009, we capitalized interest of $103,000 and $5.2 million, respectively, relating to our various construction projects.

Treasury Stock

Treasury stock is recorded at cost, including commissions and fees. The cost of treasury shares sold is determined using the first-in, first-out method. Related gains and losses on sales of treasury stock are recognized as adjustments to stockholders' equity.

Revenue Recognition

Remodulin and Tyvaso

We sell both Remodulin and Tyvaso to our specialty pharmaceutical distributors under similar contractual arrangements. Sales of Remodulin and Tyvaso are recognized when title and risk of ownership pass to our distributors upon satisfactory delivery to our distributors' facilities—i.e. all of our performance obligations under these distributor arrangements have been satisfied. We record sales of Remodulin and Tyvaso net of various product sales allowances in the period that associated revenues are recognized. These sales allowances include estimated rebates and other reimbursements, prompt payment discounts and service fees to our distributors. Calculating these sales allowances involves the use of significant estimates and judgments and information from external sources.

Estimates for accruals and related revenue reductions for rebates and reimbursements are derived from an analysis of historical levels of rebates/reimbursements to both state Medicaid agencies and third-party payers by product, relative to sales of each product. In formulating our estimates, we also consider the impact of anticipated changes in product sales trends and government rebate programs, particularly as they relate to eligibility requirements and/or rebate pricing. We analyze rebate data

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

separately for Remodulin and Tyvaso, as these therapies have been developed to treat PAH patients at different stages in the disease continuum and therefore, rebate eligibility and pricing requirements can differ for each therapy.

Prompt pay discounts are calculated based on the gross amount of invoices and are recorded on a net basis as our distributors have routinely taken advantage of these discounts.

We pay our distributors for contractual services rendered. Accruals for these fees are estimated based on contracted rates applied to the estimated units of service provided by distributors for a given period.

Our specialty pharmaceutical distributors do not possess return rights; however, we provide exchange rights in the event that product was damaged during shipment, or has expired. The shelf life of Remodulin and Tyvaso is three years from the date of manufacture. The number of product exchanges has been minimal because we sell Remodulin and Tyvaso with a shelf life generally in excess of one year before expiration and our distributors generally hold a 30 to 60 day inventory of our products. In addition, we do not require, nor do we provide incentives for our distributors to assume, inventory levels of Remodulin or Tyvaso beyond what would be considered reasonable and customary in the ordinary course of business and we closely track inventory levels in the distribution channels. Accordingly, exchanges for expired product have been minimal. In addition, exchanges for damaged product have occurred infrequently. When a shipment of Remodulin or Tyvaso has been damaged in transit to the distributor and we have been promptly notified, we do not recognize revenue on that shipment until the damaged product has been replaced, generally within several days after we receive notification of the damage.

The financial effects of exchange rights for Remodulin have been immaterial and we expect the historic volume of exchanges to remain consistent in the future. Obsolescence due to dating expiration has also been minimal given the fast pace at which Remodulin moves through the distribution channel. Specifically, Remodulin exchanges have comprised substantially less than one percent of the volume of vials that we sell. Because historical and anticipated future exchanges of Remodulin have been, and are expected to be, immaterial, we do not record a reserve for estimated exchange rights in the period of sale. Furthermore, because Tyvaso is distributed in the same manner and under similar contractual arrangements as Remodulin, the level of product exchanges for Tyvaso has been, and is expected to remain, comparable to that for Remodulin. Accordingly, we have not recognized a reserve for anticipated future exchanges of Tyvaso. Lastly, we closely monitor exchange data for both of these therapies to ensure that our assumptions continue to be reasonable, appropriate and current.

Adcirca

Adcirca is manufactured for us by Eli Lilly and Company (Lilly) and distributed through Lilly's pharmaceutical wholesaler network. Specifically, Lilly handles all of the administrative functions associated with the sale of Adcirca on our behalf, including the receipt and processing of customer purchase orders, shipment of Adcirca to customers, and the invoicing and collection of customer payments. In addition, sales terms for Adcirca include return rights that extend throughout the distribution channel. We recognize sales of Adcirca on a gross basis (net of allowances) upon delivery to customers due to the following factors: (1) we are responsible for the acceptability of the product purchased by wholesalers; (2) we bear all inventory risk, as title and risk of loss pass to us at the shipping point from Lilly's manufacturing facility; (3) we assume credit risk if Lilly is unable to collect amounts due from customers; and (4) we assume the risk and cost of a product recall, if required.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Adcirca revenues are recognized net of the following sales allowances: reserves for product returns, rebates for Medicaid and third-party payers, prompt pay discounts and wholesaler fees. Calculation of these allowances involves the use of significant judgment and estimates. Until we have sufficient historical data to base estimates for product returns, we have based initial estimates for returns on published industry data related to specialty pharmaceuticals, which is the segment most relevant to Adcirca. In addition, we compare patient prescription data to sales on a quarterly basis to ensure a reasonable relationship between prescription and sales patterns. Allowances for Medicaid and other third-party payer rebates are derived from an analysis of historical levels of rebates/reimbursements to both state Medicaid agencies and third-parties payers. Prompt pay discounts are based on contractual terms with distributors, and they typically have taken advantage of such discounts. Lastly, wholesaler fees are based on the contractual fee percentage for each wholesaler relative to sales to that wholesaler.

Research and Development

Research and development costs are expensed as incurred except for refundable payments made in advance of services to be provided to us. Related expenses consist of internal labor and overhead, costs to acquire pharmaceutical products and product rights for development, materials used in clinical trials and amounts paid to third parties for services and materials relating to drug development and clinical trials.

We recognize the following as research and development expense in the period related costs are incurred:

- Costs associated with production activities in our manufacturing facilities prior to receiving FDA approval for such facilities; or for major unproven changes to our production processes;
- Costs incurred in licensing the rights to technologies in the research and development stage that have no alternative future uses; and
- Up-front payments made in connection with arrangements to obtain license and distribution rights to pharmaceutical product candidates prior to the regulatory approval of those product candidates, absent any alternative future uses.

Share-Based Compensation

Share-based awards that require cash settlement upon exercise, such as those granted under our Share Tracking Awards Plan, are classified as a liability. Accordingly, the fair value of related cash settled awards is re-measured at each reporting date until awards are exercised or are otherwise no longer outstanding. Related changes in the fair value of outstanding cash-settled awards at each reporting date are recognized as adjustments to share-based compensation expense.

The amount of share-based compensation to be recognized in connection with stock option awards is based on the grant date fair value of the award. Related compensation expense is recognized on a straight-line basis over the requisite service period, or vesting period of option awards that are expected to vest.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

Income taxes are accounted for in accordance with the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some or all of the deferred tax assets will not be realized.

Financial statement recognition of a tax position taken or expected to be taken in a tax return is determined based on a more likely than not threshold of that position being sustained. If the tax position meets this threshold, the benefit to be recognized is measured as the largest amount that is more than 50 percent likely to be realized upon ultimate settlement. It is our policy to record interest and penalties related to uncertain tax positions as a component of income tax expense.

Earnings (Loss) per Share

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period, plus the potential dilutive effect of other securities if such securities were converted or exercised. During periods in which we incur net losses, both basic and diluted loss per share is calculated by dividing the net loss by the weighted average shares outstanding. Potentially dilutive securities are excluded from the calculation because their effect would be anti-dilutive.

Concentrations of Credit Risk, Suppliers, Products, Revenues and Customers

Concentration of credit risk. Financial instruments that are exposed to credit risk consist of cash, money market funds, commercial paper, marketable investments, and trade receivables. We maintain our cash and money market funds with financial institutions that are federally insured. While balances deposited in these institutions often exceed Federal Deposit Insurance Corporation limits, we have not experienced any losses on related accounts to date. Furthermore, we limit our risk exposure by maintaining funds in financial institutions that we believe are creditworthy and financially sound. Our investments in commercial paper and marketable debt investments have been issued by federally sponsored agencies and corporate entities with high credit ratings. We mitigate the risks associated with holding these types of securities by investing in only highly-rated securities with relatively short maturities that we believe do not subject us to undue investment risk. At any given period, our trade receivables are concentrated among a small number of principal customers. If any of these financial institutions, issuers or customers failed to perform their obligations under the terms of these financial instruments, our maximum exposure to potential losses would approximate amounts reported on our consolidated balance sheets.

Concentration of suppliers. We rely on a single supplier, Catalent Pharma Solutions, Inc. to perform stability studies on Remodulin and Tyvaso, manufacture Tyvaso and analyze other products we are developing. Until early 2011, Baxter Pharmaceutical Solutions, LLC was the sole manufacturer of

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Remodulin. Until late 2010, NEBU-TEC was the sole approved facility to produce the Tyvaso Inhalation System. Lilly provides exclusive manufacturing, distribution and collection services for us relating to Adcirca. Although our current suppliers could be replaced, we believe that a change in one of our suppliers could disrupt the distribution of our commercial products or services and impede the progress of our clinical trials and other research and development.

Concentration of products, revenues and customers. During the years ended December 31, 2010, 2009 and 2008, sales of Remodulin accounted for 67%, 90% and 96%, respectively, of our total net revenues. Net sales of Remodulin in the United States to our three distributors comprised 86%, 88% and 89%, respectively, of our total net Remodulin revenues. In addition, these three U.S.-based distributors are our sole customers for Tyvaso. Sales of Tyvaso during the years ended December 31, 2010 and 2009 (its first year of commercial sale) comprised 25% and 5% of our net revenues.

At December 31, 2010 and 2009, 77% and 80%, respectively, of our accounts receivable were due from our three U.S.-based distributors. While we rely on our distributors to market Remodulin and Tyvaso, there are several other qualified distributors that could replace any one of our current distributors should the need arise.

During the years ended December 31, 2010, 2009 and 2008, we derived 65%, 71% and 64% of our total net pharmaceutical revenues from one customer. Estimated net revenues from that customer were as follows (in thousands):

	For Years Ended December 31,		
	2010	2009	2008
Accredo Health Group, Inc.	$ 387,251	$ 253,314	$ 175,252

3. Recently Issued Accounting Standards

In December 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-28, *Intangibles—Goodwill and Other (Topic 350)—When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts* (ASU 2010-28). ASU 2010-28 modifies the first step of the goodwill impairment test for reporting units with zero or negative carrying amounts. If the carrying amount of a reporting unit is zero or negative, the second step of the impairment test must be performed to measure the amount of impairment loss, if any, when it is more likely than not that a goodwill impairment exists. In considering whether it is more likely than not that a goodwill impairment exists, an entity shall evaluate whether any adverse qualitative factors exist. ASU No. 2010-28 is effective for fiscal years and interim periods within those years beginning after December 15, 2010. We are currently assessing what, if any, impact the adoption of ASU 2010-28 will have on our consolidated financial statements.

In April 2010, the FASB issued ASU No. 2010-17, *Revenue Recognition—Milestone Method* (ASU No. 2010-17). ASU No. 2010-17 sets forth guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate for research and development arrangements. Specifically, consideration that is contingent upon the completion of a milestone may be recognized in its entirety as revenue in the period that milestone has been achieved if the milestone, in its entirety, meets all of the criteria to be considered substantive at the inception of an arrangement. ASU No. 2010-17 is effective prospectively for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010 and applies to research or development

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

3. Recently Issued Accounting Standards (Continued)

deliverables under which the performance obligation is satisfied over a period of time and a portion, or all, of the consideration is contingent upon uncertain future events or circumstances. A reporting entity's decision to use the milestone method of revenue recognition is a policy election. ASU No. 2010-17 will be effective for us January 1, 2011 and adoption of this standard will not have any impact on our consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820)—Improving Disclosures about Fair Value Measurements* (ASU No. 2010-06). ASU No. 2010-06 requires: (1) fair value disclosures of assets and liabilities by class; (2) disclosures about significant transfers in and out of Levels 1 and 2 on the fair value hierarchy, in addition to Level 3; (3) purchases, sales, issuances and settlements be disclosed on a gross basis on the reconciliation of beginning and ending balances of Level 3 assets and liabilities; and (4) disclosures about valuation methods and inputs used to measure the fair value of Level 2 assets and liabilities. ASU No. 2010-06 became effective for the first financial reporting period beginning after December 15, 2009, except for disclosures about purchases, sales, issuances and settlements of Level 3 assets and liabilities, which will be effective for fiscal years beginning after December 15, 2010. Adoption of the currently effective provisions of ASU No. 2010-06 had no impact on our consolidated financial statements. Level 3 disclosure requirements regarding gross presentation of purchases, sales, issuances and settlements are not expected to impact our consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-17, *Consolidations (Topic 810)—Improvements to Financial Reporting By Enterprises Involved with Variable Interest Entities* (ASU No. 2009-17). ASU 2009-17 requires a qualitative approach for determining the primary beneficiary of a variable interest entity and replaces the quantitative evaluation previously set forth under FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities* . This approach is focused on identifying the reporting entity that has the ability to direct the activities of a variable interest entity that most significantly affects the entity's economic performance and has the obligation to absorb the entity's losses or has the right to receive benefits from the entity. ASU No. 2009-17, among other things, will require enhanced disclosures about a reporting entity's involvement in variable interest entities. The guidance under ASU No. 2009-17 became effective for the first annual period beginning after November 15, 2009 and interim periods within that first annual period. Adoption of ASU 2009-17 did not have a material impact on our consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-13, *Revenue Recognition (Topic 605)—Multiple-Deliverable Revenue Arrangements: a consensus of the FASB Emerging Issues Task Force* (ASU 2009-13). ASU 2009-13 establishes a selling-price hierarchy for determining the selling price of each element within a multiple-deliverable arrangement. Specifically, the selling price assigned to each deliverable is to be based on vendor-specific objective evidence (VSOE) if available, third-party evidence if VSOE is unavailable, and estimated selling prices if neither VSOE or third-party evidence is available. In addition, ASU 2009-13 eliminates the residual method of allocating arrangement consideration and instead requires allocation using the relative selling price method. ASU 2009-13 will be effective prospectively for multiple-deliverable revenue arrangements entered into, or materially modified, in fiscal years beginning on or after June 15, 2010. ASU 2009-13 will be effective for us on January 1, 2011 and adoption of this standard will not have any impact on our consolidated financial statements.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

4. Marketable Investments

Held-to-maturity Investments

Marketable investments classified as held-to-maturity consist of the following (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government sponsored enterprises at December 31, 2010	$ 282,005	$ 52	$ (152)	$ 281,905
Corporate notes and bonds at December 31, 2010	225,394	144	(68)	225,470
Total	$ 507,399	$ 196	$ (220)	$ 507,375
As reported on the consolidated balance sheet at December 31, 2010:				
Current marketable securities	$ 374,921			
Noncurrent marketable securities	132,478			
	$ 507,399			

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government sponsored enterprises at December 31, 2009	$ 172,531	$ 559	$ (247)	$ 172,843
Corporate notes and bonds at December 31, 2009	96,697	158	(49)	96,806
Total	$ 269,228	$ 717	$ (296)	$ 269,649
As reported on the consolidated balance sheet at December 31, 2009:				
Current marketable securities	$ 129,140			
Noncurrent marketable securities	140,088			
	$ 269,228			

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

4. Marketable Investments (Continued)

The following table summarizes gross unrealized losses and the length of time marketable investments have been in a continuous unrealized loss position (in thousands):

	December 31,			
	2010		2009	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
Government sponsored enterprises:				
Less than one year	$ 152,844	$ (152)	$ 54,299	$ (247)
Greater than one year	—	—	—	—
	152,844	(152)	54,299	(247)
Corporate notes:				
Less than one year	107,883	(68)	64,499	(49)
Greater than one year	—	—	—	—
	107,883	(68)	64,499	(49)
Total	$ 260,727	$ (220)	$ 118,798	$ (296)

We attribute the unrealized losses on held-to-maturity securities as of December 31, 2010 and 2009, to the variability in related market interest rates. We do not intend to sell these securities, nor is it more likely than not that we will be required to sell them prior to the end of their contractual term. Furthermore, we believe these securities do not subject us to undue market risk or counterparty credit risk. As such, we do not consider these securities to be other than temporarily impaired.

The following table summarizes the contractual maturities of held-to-maturity marketable investments at December 31, 2010 (in thousands):

	December 31, 2010	
	Amortized Cost	Fair Value
Due in less than one year	$ 374,921	$ 374,908
Due in one to two years	132,478	132,467
Due in three to five years	—	—
Due after five years	—	—
Total	$ 507,399	$ 507,375

Gross proceeds, realized gains and losses from sales of available-for-sale investments are as follows (in thousands):

	For Years Ended December 31,		
	2010	2009	2008
Gross proceeds	$ —	$ —	$ 31,850
Realized gains	$ —	$ —	$ —
Realized losses	$ —	$ —	$ —

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

4. Marketable Investments (Continued)

For purposes of determining gross realized gains and losses on sales of available-for-sale investments, the cost of securities sold is determined by specific identification.

Trading Investments

During the years ended December 31, 2010 and 2009, we recognized trading gains of $6.9 million and $1.9 million respectively. For the year ended December 31, 2008, we recognized $2.5 million in trading losses. In July 2010, we sold all of our marketable investments that were classified as trading securities.

Equity Investments

As of December 31, 2010 and 2009, we owned less than 1% of the common stock of Twin Butte Energy Ltd. (Twin Butte). Our investment in Twin Butte is classified as available-for-sale and reported at fair value based on the quoted market price.

As of December 31, 2010, we maintain an investment totaling approximately $4.9 million in the preferred stock of a privately held corporation within our telemedicine segment. We account for this investment at cost, as its fair value is not readily determinable. The fair value of our investment has not been estimated at December 31, 2010, as there have been no events or developments indicating that the investment may be impaired. This investment is included within non-current other assets on our consolidated balance sheets.

5. Fair Value Measurements

Assets and liabilities subject to fair value measurements are required to be disclosed within a specified fair value hierarchy. The fair value hierarchy ranks the quality and reliability of inputs or assumptions used in the determination of fair value and requires assets and liabilities carried at, or permitted to be carried at, fair value to be classified and disclosed in one of the following categories:

Level 1—Fair value is determined by using unadjusted quoted prices that are available in active markets for identical assets and liabilities.

Level 2—Fair value is determined by using inputs other than Level 1 quoted prices that are directly or indirectly observable. Inputs can include quoted prices for similar assets and liabilities in active markets or quoted prices for identical assets and liabilities in inactive markets. Related inputs can also include those used in valuation or other pricing models such as interest rates and yield curves that can be corroborated by observable market data.

Level 3—Fair value is determined by inputs that are unobservable and not corroborated by market data. Use of these inputs involves significant and subjective judgments to be made by a reporting entity.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

5. Fair Value Measurements (Continued)

Assets and liabilities subject to fair value measurements were as follows (in thousands):

	As of December 31, 2010			
	Level 1	Level 2	Level 3	Balance
Assets				
Money market funds(1)	$ 91,206	$ —	$ —	$ 91,206
Federally-sponsored and corporate debt securities (2)	—	507,375	—	507,375
Available-for-sale equity investment	373	—	—	373
Total Assets	$ 91,579	$ 507,375	$ —	$ 598,954
Liabilities				
Convertible Senior Notes	$ 421,721	$ —	$ —	$ 421,721
Contingent Consideration—Tyvaso Inhalation System acquisition(3)	—	—	1,894	1,894
	$ 421,721	$ —	$ 1,894	$ 423,615

	As of December 31, 2009			
	Level 1	Level 2	Level 3	Balance
Assets				
Auction-rate securities(4)	$ —	$ —	$ 29,332	$ 29,332
Auction-rate securities put option(5)	—	—	6,741	6,741
Money market funds(1)	48,220	—	—	48,220
Federally-sponsored and corporate debt securities(2)	—	269,649	—	269,649
Available-for-sale equity investment	161	—	—	161
Total Assets	$ 48,381	$ 269,649	$ 36,073	$ 354,103
Liabilities				
Convertible Senior Notes	$ 361,843	$ —	$ —	$ 361,843
Contingent Consideration—Tyvaso Inhalation System acquisition(3)	—	—	5,602	5,602
	$ 361,843	$ —	$ 5,602	$ 367,445

(1) Included in cash and cash equivalents and marketable investments and cash—restricted on the accompanying consolidated balance sheets.

(2) Included in current and non-current marketable investments on the accompanying consolidated balance sheets. The fair value of these securities is derived using a market approach—i.e., from pricing models that rely on relevant observable market data including interest rates, yield curves, recently reported trades of comparable securities, credit spreads and benchmark securities to determine the fair value of such securities. See also Note 4— *Investments—Held-to-Maturity Investments* to these consolidated financial statements.

(3) Included in non-current liabilities on the accompanying consolidated balance sheets. The liability has been recognized in connection with our acquisition of the assets, properties and rights used to manufacture the Tyvaso Inhalation System from NEBU-TEC International Med Products Eike Kern GmbH (NEBU-TEC) in September 2009. The terms of the acquisition require us to pay

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

5. Fair Value Measurements (Continued)

contingent consideration of up to €10.0 million in specified increments if the number of patients using the Tyvaso Inhalation System meets or exceeds certain thresholds measured at designated intervals. We also have the option to purchase NEBU-TEC's next generation nebulizer, the SIM-Neb. If we exercise this option, we could no longer be required to make future contingent payments. The fair value of the contingent consideration has been measured using a probability weighted discounted cash flow (DCF) model which incorporates a discount rate based on our estimated weighted average cost of capital and our projections regarding the timing and number of patients using the Tyvaso Inhalation System. The DCF model also incorporates the probability and impact of exercising our option to acquire the SIM-Neb and the potential introduction of new therapies.

(4) Included in non-current marketable investments on the accompanying consolidated balance sheet at December 31, 2009. In November 2008, we agreed to the terms of an Auction-Rate Securities Rights Offer (Rights Offer) with the investment firm that maintained our auction-rate securities (ARS) account pursuant to which we obtained the right to sell back at par value our ARS to the investment firm at any time between June 30, 2010 and July 2, 2012 (Put Option). In June 2010, we exercised our right to sell our remaining ARS for their par value ($19.0 million). In connection with the transaction, we recognized a gain of $5.6 million, which has been included under the caption "Other, net" on the accompanying consolidated statement of operations for the year ended December 31, 2010. Proceeds from the sale were invested in other marketable investments in accordance with our investment policy.

(5) Included within other non-current assets on the accompanying consolidated balance sheet at December 31, 2009. In June 2010, we exercised the Put Option to initiate the sale of our ARS. Consequently, we recognized a loss of $5.5 million to write off the value of this financial instrument as of the date of exercise. The loss has been included under the caption "Other, net" on our consolidated statement of operations for the year ended December 31, 2010. Prior to its exercise in June 2010, we accounted for the Put Option under the fair value option and used a DCF model to measure its fair value.

The tables below provide a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value using significant unobservable inputs (Level 3) for the years ended December 31, 2010 and 2009 (in thousands):

	Auction-rate Securities	Auction-rate Securities Put Option	Contingent Consideration—Tyvaso Inhalation System Acquisition	Total
Balance January 1, 2010—Asset (Liability)	$ 29,332	$ 6,741	$ (5,602)	$ 30,471
Transfers to (from) Level 3	—	—	—	—
Total gains/(losses) realized/unrealized included in earnings(1)	6,868	(6,741)	1,776	1,903
Total gains/(losses) included in other comprehensive income	—	—	586	586
Purchases/sales/issuances/settlements, net	(36,200)	—	1,346	(34,854)
Balance December 31, 2010—Asset (Liability)	$ —	$ —	$ (1,894)	$ (1,894)

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

5. Fair Value Measurements (Continued)

	Auction-rate Securities	Auction-rate Securities Put Option	Contingent Consideration—Tyvaso Inhalation System Acquisition	Total
Balance January 1, 2009—Asset (Liability)	$ 27,976	$ 7,685	$ —	$ 35,661
Transfers to (from) Level 3	—	—	—	—
Total gains/(losses) realized/unrealized included in earnings(1)	1,906	(944)	(1,816)	(854)
Total gains/(losses) included in other comprehensive income	—	—	10	10
Purchases/sales/issuances/settlements, net	(550)	—	(3,796)	(4,346)
Balance December 31, 2009—Asset (Liability)	$ 29,332	$ 6,741	$ (5,602)	$ 30,471

(1) For the year ended December 31, 2010, includes gains of $1.8 million attributable to the change in unrealized gains relating to liabilities still held at December 31, 2010 (recognized within selling, general and administrative expenses on our consolidated statements of operations). For the year ended December 31, 2009, includes net losses of $854,000 attributable to the change in unrealized gains and losses relating to assets and liabilities still held at December 31, 2009 (included within other income and selling, general and administrative expenses, respectively, on our consolidated statement of operations).

6. Investment in Northern Therapeutics, Inc.

We own approximately 68% of the outstanding common stock of Northern Therapeutics, Inc. (Northern). Northern was formed in 2000 to develop gene therapy for the treatment of PAH. Although we own a majority of Northern's outstanding common stock, we may appoint only two of Northern's seven board seats. Substantially all of Northern's key business decisions require unanimous consent from its board including decisions related to personnel selection and compensation and the establishment of operating and capital budgets. Consequently, the minority owners of Northern have substantive participating rights. These substantive participating rights prevent us from controlling the operations of Northern; therefore, consolidation is prohibited. We account for our investment in Northern under the equity method and as such, the related investment balance is adjusted for our cumulative share in Northern's net losses. At December 31, 2010, the investment balance is approximately $720,000 and has been included within other non-current assets on our consolidated balance sheet.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

7. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31,	
	2010	2009
Royalties and rebates	$ 26,946	$ 15,258
Payroll related	11,271	8,707
Research related	8,549	2,457
Other	3,514	3,342
Total	$ 50,280	$ 29,764

8. Share Tracking Awards Plan

We maintain the United Therapeutics Corporation Share Tracking Awards Plan (STAP) under which we grant long-term, equity-based compensation to eligible participants. Awards granted under the STAP are non-dilutive as they are not settled in shares of our common stock. Rather, awards convey the right to receive in cash an amount equal to the appreciation of our common stock, which is calculated as the positive difference between the closing price of our common stock on the date of exercise and the date of grant. Outstanding awards generally vest in equal increments on each anniversary of the date of grant over a three- or four-year period and expire on the tenth anniversary of the date of grant. The maximum number of awards available for grant is 9,000,000, of which approximately 481,000 remained available for issuance as of December 31, 2010. During the first quarter of 2011, we expect to increase the pool of available STAP awards by approximately 2.0 million primarily to accommodate anticipated grants under our long-term incentive bonus and compensation plans.

The STAP liability balance was $125.6 million and $64.2 million at December 31, 2010, and December 31, 2009, respectively, and has been included in other current liabilities on our consolidated balance sheets.

In estimating the fair value of awards, we are required to use inputs that materially impact the determination of fair value and the amount of compensation expense recognized. These inputs include the expected volatility of the price of our common stock, the risk-free interest rate, the expected term of awards, the expected forfeiture rate and the expected dividend yield.

A description of the key inputs used in estimating the fair value of the awards is provided below:

Expected volatility —Volatility is a measure of the amount the price of our common stock has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. We use historical volatility based on weekly price observations of our common stock during the period immediately preceding an award that is equal to the expected term of an award (up to a maximum of five years). We believe the volatility in the price of our common stock over the preceding five years provides the best representation of future long-term volatility.

Risk-free interest rate —The risk-free interest rate is the average interest rate consistent with the yield available on a U.S. Treasury note with a term equal to the expected term of an award.

Expected term of awards —An award's expected term reflects the estimated time period we expect an award to remain outstanding. We apply the use of the simplified method in developing an estimate

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

8. Share Tracking Awards Plan (Continued)

of the expected term. We employ this methodology for estimating the expected term of awards until such time that more refined estimates based on historical exercise behavior of the awards can be established.

Expected forfeiture rate —The expected forfeiture rate is an estimated percentage of awards granted that are expected to be forfeited or canceled on an annual basis prior to becoming fully vested. We derive our estimate based on historical forfeiture experience of our stock options for similar classes of employees. We expect forfeiture experience with respect to awards to be materially comparable to that of our stock options, which contain similar terms and conditions.

Expected dividend yield —We do not pay cash dividends on our common stock and do not expect to do so in the future. Therefore, the dividend yield is assumed to be zero.

The table below presents the assumptions used to measure the fair value of awards at December 31, 2010, 2009 and 2008:

	December 31,		
	2010	2009	2008
Expected volatility	46.8%	47.3%	48.0%
Risk-free interest rate	1.7%	2.8%	1.6%
Expected term of awards (in years)	4.5	5.0	5.6
Forfeiture rate	6.7%	5.4%	6.3%
Expected dividend yield	0.0%	0.0%	0.0%

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

8. Share Tracking Awards Plan (Continued)

A summary of the status and activity of the STAP is presented below:

	Number of Awards	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in 000s)
Outstanding at January 1, 2010	6,363,720	$ 32.19		
Granted	2,426,319	54.46		
Exercised	(1,138,648)	28.04		
Forfeited	(270,911)	38.63		
Outstanding at December 31, 2010	7,380,480	$ 39.91	8.5	$ 172,053
Awards exercisable at December 31, 2010	1,975,851	$ 31.65	7.9	$ 62,385
Awards expected to vest at December 31, 2010	5,043,553	$ 42.93	8.7	$ 102,338

The weighted average fair value of awards granted, as of their date of grant, during the years ended December 31, 2010, 2009 and 2008, was $26.23, $29.12 and $16.13, respectively.

Share-based compensation expense relating to the STAP is as follows (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Cost of service sales	$ 552	$ 331	$ 17
Research and development	42,791	27,106	3,463
Selling, general and administrative	47,926	34,209	4,965
Share-based compensation expense before taxes	91,269	61,646	8,445
Related income tax benefits	(33,770)	(22,809)	(3,378)
Share-based compensation expense, net of taxes	$ 57,499	$ 38,837	$ 5,067
Total share-based compensation expense capitalized in inventory	$ 3,002	$ 2,336	$ 72

Cash paid to settle STAP exercises during the years ended December 31, 2010, 2009 and 2008 was $32.9 million, $8.2 million and none, respectively.

9. Debt

Convertible Notes

On October 30, 2006, we issued at par value $250.0 million of Convertible Senior Notes. We pay interest on the Convertible Senior Notes semi-annually on April 15 and October 15 of each year. The Convertible Senior Notes are unsecured, unsubordinated debt obligations that rank equally with all of our other unsecured and unsubordinated indebtedness. The conversion price is $37.61 per share and the number of shares on which the aggregate consideration is to be determined upon conversion is approximately 6,646,000.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

9. Debt (Continued)

Conversion can occur: (1) any time after July 15, 2011; (2) during any calendar quarter that follows a calendar quarter in which the price of our common stock exceeded 120% of the conversion price for at least 20 days during the 30 consecutive trading-day period ending on the last trading day of the quarter; (3) during the ten consecutive trading-day period following any five consecutive trading-day period in which the trading price of the Convertible Senior Notes was less than 95% of the closing price of our common stock multiplied by the then current number of shares underlying the Convertible Senior Notes; (4) upon specified distributions to our shareholders; (5) in connection with corporate transactions; or (6) in the event that our common stock ceases to be listed on the NASDAQ Global Select Market and is not listed for trading on another U.S. national or regional securities exchange.

Upon conversion, a holder of our Convertible Senior Notes will receive: (1) cash equal to the lesser of the principal amount of the note or the conversion value (equal to the number of shares underlying the Convertible Senior Notes multiplied by the then current conversion price per share); and (2) to the extent the conversion value exceeds the principal amount of the Convertible Senior Notes, shares of our common stock. In the event of a change in control, as defined in the indenture under which the Convertible Senior Notes have been issued, holders can require us to purchase from them all or a portion of their Convertible Senior Notes for 100% of the principal value plus any accrued and unpaid interest. At December 31, 2010, the aggregate conversion value of the Convertible Senior Notes exceeded their principal value by approximately $170.2 million using a conversion price of $63.22, the closing price of our common stock on that date. We have reserved sufficient shares of our common stock to satisfy the conversion requirements related to the Convertible Senior Notes.

The closing price of our common stock exceeded 120% of the conversion price of the Convertible Senior Notes for more than 20 trading days during the 30 consecutive trading day period ending on December 31, 2010. Consequently, the Convertible Senior Notes were convertible at the election of their holders. This contingent conversion measurement is calculated at the end of each quarterly reporting period.

Because the terms of the Convertible Senior Notes provide for settlement wholly or partially in cash, we are required to account for the liability and equity components of these debt instruments separately in a manner that reflects our non-convertible borrowing rate. Accordingly, we estimated the fair value of the Convertible Senior Notes without the conversion feature as of the date of issuance (Liability Component). The estimated fair value of the Liability Component was $177.6 million. The excess of the proceeds received over the estimated fair value of the Liability Component totaling $72.4 million was allocated to the conversion feature (Equity Component) and a corresponding offset was recognized as a discount to reduce the net carrying value of the Convertible Senior Notes. The discount is being amortized to interest expense over a five-year period ending October 2011 (the expected life of the Liability Component) using the interest method and an effective rate of interest of 7.5%, which corresponds to our estimated non-convertible borrowing rate at the date of issuance.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

9. Debt (Continued)

Interest expense associated with the Convertible Senior Notes consists of the following (in thousands):

	For Years Ended December 31,		
	2010	2009	2008
Contractual coupon rate of interest	$ 1,250	$ 1,250	$ 1,250
Discount amortization	15,705	14,581	13,537
Interest expense—Convertible Senior Notes	$ 16,955	$ 15,831	$ 14,787

Amounts comprising the carrying amount of the Convertible Senior Notes are as follows (in thousands):

	December 31,	
	2010	2009
Principal balance	$ 249,968	$ 249,978
Discount, net of accumulated amortization of $58,402 and $42,697	(14,000)	(29,706)
Carrying amount	$ 235,968	$ 220,272

Call Spread Option

Concurrent with the issuance of the Convertible Senior Notes, we purchased call options on our common stock in a private transaction with Deutsche Bank AG London (Call Option). The Call Option allows us to purchase up to approximately 6.6 million shares of our common stock at a price of $37.61 per share, which is equal to the amount of our common stock related to the conversion value that we could deliver to holders of the Convertible Senior Notes upon conversion. We will be required to issue shares of our common stock upon conversion if the price of our common stock exceeds $37.61 per share upon conversion. The Call Option will terminate upon the earlier of the maturity date of the Convertible Senior Notes or the first day all of the Convertible Senior Notes are no longer outstanding due to conversion or otherwise. We paid approximately $80.8 million for the Call Option, which was recorded as a reduction to additional paid-in-capital.

In a separate transaction that took place simultaneously with the issuance of the Convertible Senior Notes, we sold a warrant to Deutsche Bank AG London under which Deutsche Bank AG London has the right to purchase approximately 6.6 million shares of our common stock at an exercise price of $52.85 per share (Warrant). Proceeds received from the Warrant totaled approximately $45.4 million and were recorded as additional paid-in-capital.

The shares deliverable to us under the Call Option must be obtained from existing shareholders. Any shares that we may be required to deliver under the Warrant can consist of registered or unregistered shares, subject to potential adjustments to the settlement amount. The maximum number of shares of our common stock that we may be required to deliver in connection with the Warrant is approximately 6.6 million. We have reserved approximately 6.6 million shares for the settlement of the Warrant and had sufficient shares available as of December 31, 2010, to effect such settlement.

The combination of the Call Option and Warrant effectively reduces the potential dilutive impact of the Convertible Senior Notes. The Call Option has a strike price equal to the conversion price of

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

9. Debt (Continued)

the Convertible Senior Notes and the Warrant has a higher strike price per share that caps the amount of protection these instruments could provide against dilution. The Call Option and Warrant can be settled on a net share basis.

These instruments are considered both indexed to our common stock and classified as equity; therefore, the Call Option and Warrant are not accounted for as derivative instruments.

Mortgage Financing

On December 27, 2010, we entered into a Credit Agreement with Wells Fargo Bank, National Association (Wells Fargo) and Bank of America, N.A., pursuant to which we obtained $70.0 million in debt financing. Proceeds from the loan were used to pay off the synthetic lease arrangement with Wachovia (discussed in Note 10— *Commitments and Contingencies—Lease Obligation*) and will also be used to help fund working capital requirements. The Credit Agreement has a forty-eight month term maturing in December 2014 and is secured by a first mortgage lien on our Facilities in Research Triangle Park, North Carolina and Silver Spring, Maryland. Annual principal payments will be based on a twenty-five year amortization schedule using a fixed rate of interest of 7.0 percent and the outstanding debt will bear a floating rate of interest per annum based on the one month London Interbank Offer Rate (LIBOR), plus a credit spread of 3.75 percent, or approximately 4.0 percent as of December 31, 2010. Alternatively, we have the option to change the rate of interest charged on the loan to 2.75 percent plus the greater of: (1) Wells Fargo's prime rate, or, (2) the federal funds effective rate plus 0.05 percent, or, (3) LIBOR plus 1.0 percent. The Credit Agreement also permits prepayment of the outstanding loan balance in its entirety, with varying declining prepayment premiums at specified intervals. The prepayment premium is initially 1.5 percent if the debt is prepaid within the first six-months of the term and declines in 0.5 percent increments at each successive six-month interval such that there is no premium if the loan is prepaid after December 2012. At December 31, 2010, we capitalized $1.1 million in related transaction costs which will be amortized as interest expense over the term of the Credit Agreement using the effective interest method.

The Credit Agreement subjects us to the following financial covenants: (1) a maximum consolidated leverage ratio of 2.5:1.0, calculated as the ratio of our consolidated indebtedness to "Consolidated EBITDA" which is defined as consolidated net income, adjusted for the following as applicable: (i) interest expense; (ii) income taxes; (iii) non-cash license fees; (iv) depreciation and amortization; (v) impairment charges; and (vi) share-based compensation (stock option and share tracking award expense), to be measured as of the last day of each fiscal quarter on a rolling four quarter basis; and (2) minimum liquidity of no less than $150.0 million. Under the Credit Agreement, minimum liquidity is defined as the sum of our cash and cash equivalents, plus the fair value of our marketable investments as of the last day of a fiscal quarter less the sum of indebtedness that matures within the next twelve months and the liability related to vested STAP awards in excess of $50.0 million. In addition, the Credit Agreement subjects us to various customary negative covenants. As of December 31, 2010, we were in compliance with the preceding covenants.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

9. Debt (Continued)

As of December 31, 2010, future maturities relating to the Credit Agreement are as follows (in thousands):

Years ending December 31,	
2011	$ 1,071
2012	1,148
2013	1,231
2014	66,550
Total	$ 70,000

Interest Expense

Details of interest expense include the following components (in thousands):

	For Years Ended December 31,		
	2010	2009	2008
Interest expense	$ 19,817	$ 18,029	$ 16,196
Capitalized interest	(103)	(5,154)	(4,757)
Total	$ 19,714	$ 12,875	$ 11,439

10. Commitments and Contingencies

Lease Obligation

Until December 2010, we leased our Phase I Laboratory, the first completed building in our Silver Spring facility, pursuant to a synthetic lease arrangement entered into in June 2004 with Wachovia Development Corporation and its affiliates (Wachovia), now an affiliate of Wells Fargo. Under the lease, Wachovia funded $32.0 million toward the construction of the Phase I Laboratory on land that we own. After completing construction in May 2006, Wachovia leased the Phase I Laboratory to us. The base term of the lease was scheduled to end in May 2011, at which time we had planned to exercise our option to purchase the Phase I Laboratory for approximately $32.0 million. However, in order to secure the Credit Agreement, we terminated the Lease and acquired title to the Phase I Laboratory for $32.0 million in December 2010. Upon termination of the lease, $35.1 million of cash and marketable investments held as collateral under the lease was released.

Operating Leases

We lease primarily facilities space and office equipment under operating lease arrangements that have terms expiring at various dates through 2018. Certain lease arrangements include renewal options and escalation clauses. In addition, various lease agreements to which we are a party require that we comply with certain customary covenants throughout the term of these leases. If we are unable to comply with these covenants and cannot reach a satisfactory resolution in the event of a noncompliance, these agreements could terminate.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

10. Commitments and Contingencies (Continued)

Minimum rent commitments under non-cancelable operating leases are as follows (in thousands):

Years ending December 31,	
2011	$ 4,364
2012	2,626
2013	2,419
2014	1,700
2015	1,868
Thereafter	4,819
	$ 17,796

Total rent expense was $2.7 million, $2.7 million and $2.5 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Milestone and Royalty Payments

We are party to certain license agreements as described in Note 15— *License Agreements* to these consolidated financial statements. Generally, these agreements include milestone payments in cash upon the achievement of certain product development and commercialization goals.

Future milestone payments under these arrangements have been estimated as follows (in thousands):

Years ending December 31,	(1)
2011	$ 2,500
2012	2,000
2013	2,000
2014	300
2015 and thereafter	8,000
Total	$ 14,800

(1) The amounts and timing of future milestone payments may vary depending on when related milestones will be attained, if at all.

Additionally, certain agreements to which we are a party require us to pay royalties—refer to Note 15— *Assignment and License Agreements* to these consolidated financial statements. Related royalties are generally based on a percentage of net sales of related products or other products and range from 1.0 percent to 30.0 percent of net product revenues.

Research agreement

We maintain a research agreement with the University of Oxford (Oxford) to develop antiviral compounds. Research under this agreement is performed by Oxford Glycobiological Institute, which is headed by a member of our board of directors and our scientific advisory board. Under the terms of the agreement, we are required to fund related research and make milestone payments for the successful completion of clinical trials. We are also obligated to pay royalties to Oxford equal to a percentage of our net sales from discoveries and products developed by Oxford. Milestone payments

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

10. Commitments and Contingencies (Continued)

and royalties are subject to reduction depending upon third-party contributions to discoveries and/or third-party licenses necessary to develop products. The current five-year term of the research agreement runs through September 30, 2011 and we are obligated to make 60 equal monthly payments totaling approximately $3.7 million. As of December 31, 2010, approximately $475,000 remained outstanding.

In August 2010, we extended the term of our research agreement with Oxford for an additional five-year period beginning on October 1, 2011. In connection with the extension of this agreement, we agreed to pay Oxford approximately $2.9 million in sixty equal monthly installments beginning on October 1, 2011.

During the twelve months ended December 31, 2010, 2009 and 2008, we incurred $610,000, $588,000 and $734,000, respectively, in expenses under the terms of the agreement.

From time to time, we may enter into other arrangements with Oxford relating to specific development activities that are outside the scope of our research agreement described above. In August 2010, we entered into a service arrangement with Oxford to conduct specific tests of our lead antiviral candidate against specific viruses for a fee of approximately $174,000. In December 2010, we entered into a service agreement with Oxford to assist in the development of an antiviral compound for the treatment of the hepatitis-C virus. Pursuant to the terms of this arrangement, we agreed to pay Oxford approximately $227,000 for these services.

11. Stockholders' Equity

Authorized Shares of Common Stock

Effective June 28, 2010, we amended our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 100,000,000 shares to 245,000,000 shares.

Stock Split

In September 2009, we completed a stock split in the form of a stock dividend pursuant to which one share of our common stock was distributed for each share issued and outstanding (or held in treasury) at the close of business on the date of record, September 14, 2009. All references in the consolidated financial statements to the price and number of shares of our common stock and per share data, including data pertaining to share based awards, have been restated to reflect the effects of the stock split for all periods presented.

Equity Incentive Plan

We may grant stock options under our equity incentive plan (EIP). The EIP provides for the issuance of up to 29,879,034 shares of our common stock, of which 15,879,034 have been reserved for issuance to our CEO in accordance with her employment agreement. As of December 31, 2010, there were 10,954,737 shares available for issuance under the EIP. Options granted under the EIP are nontransferable, contain a maximum contractual term of ten years and typically vest in equal annual increments over a maximum period of three years, except for awards to our CEO, which vest immediately upon grant in accordance with the terms of her employment agreement. The exercise price of related stock-option awards can be no less than the fair market value of our common stock on the

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

11. Stockholders' Equity (Continued)

date of grant. Historically, we have issued new shares of our common stock upon the exercise of options.

Stock Option Exchange

Pursuant to an Offer to Exchange (the Offer), on December 26, 2008 (Exchange Date), certain outstanding options with exercise prices above $32.50 (Original Options) were canceled and replaced with options having an exercise price of $30.75 (Replacement Options), the closing price of our common stock on the Exchange Date. Original Options submitted for exchange were replaced on a one-for-one basis with Replacement Options. Additionally, the Replacement Options retained all terms and conditions of the Original Options except for the reduction to the exercise price as described above and the following:

- Original Options submitted for exchange that were vested and exercisable as of the Exchange Date, were subject to a one-year vesting term—i.e., related Replacement Options became exercisable on December 26, 2009; and
- Replacement Options were nonqualified stock options regardless of whether Original Options submitted for exchange were incentive options.

The Offer was accounted for as a modification of existing option award terms. As such, total compensation associated with the Replacement Options consisted of the grant date fair value of the Original Options for which the requisite service period was expected to be rendered (or had already been rendered) at the Exchange Date, plus the incremental cost associated with the modification of terms. A total of 3,145,232 Original Options with a weighted average exercise price of $40.53 were exchanged for Replacement Options. Incremental compensation expense associated with the Offer was approximately $7.8 million.

Employee Stock Options

We estimate the fair value of stock options using the Black-Scholes-Merton valuation model. Option valuation models, including Black-Scholes-Merton, require the input of highly subjective assumptions that can materially impact the estimation of fair value and related compensation expense. These assumptions include the expected volatility of our common stock, risk-free interest rate, the expected term of stock option awards, expected forfeiture rate and the expected dividend yield.

A description of the key inputs used in estimating the fair value of the stock options is provided below:

Expected volatility —Volatility is a measure of the amount the price of our common stock has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. We use historical volatility based on weekly price observations of our common stock during the period immediately preceding a stock option grant that is equal to the expected term of the grant (up to a maximum of five years). We believe the volatility in the price of our common stock over the preceding five years provides the best representation of future long-term volatility.

Risk-free interest rate —The risk-free interest rate is the average interest rate consistent with the yield available on a U.S. Treasury note with a term equal to the expected term of a stock option grant.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

11. Stockholders' Equity (Continued)

Expected term —The expected term reflects an estimation of the time period we expect an option grant to remain outstanding. We use the simplified method in developing an estimate of the expected term.

Expected forfeiture rate —The expected forfeiture rate is the estimated percentage of options granted that are expected to be forfeited or canceled on an annual basis prior to becoming fully vested. We derive our estimate based on historical forfeiture experience for similar classes of employees.

Expected dividend yield —We do not pay dividends on our common stock and do not expect to do so in the future. Therefore, the dividend yield is assumed to be zero.

The following weighted-average assumptions were used in estimating the fair value of stock options granted to employees:

	Year Ended December 31,		
	2010	2009	2008
Expected volatility	45.4%	47.6%	47.6%
Risk-free interest rate	2.1%	2.6%	1.6%
Expected term of options (in years)	5.1	5.1	4.8
Forfeiture rate	0.0%	0.0%	3.0%
Expected dividend yield	0.0%	0.0%	0.0%

A summary of the status and activity of employee stock options is presented below:

	Options	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in 000s)
Outstanding at January 1, 2010	8,578,788	$ 29.92		
Granted	598,361	62.16		
Exercised	(3,216,652)	25.47		
Forfeited	(34,529)	25.00		
Outstanding at December 31, 2010	5,925,968	$ 35.64	6.7	$ 163,446
Options exercisable at end of period	5,799,972	$ 35.68	6.7	$ 159,741
Expected to vest at December 31, 2010	117,913	$ 34.20	6.7	$ 3,421

The weighted average fair value of employee stock options granted during the years ended December 31, 2010, 2009 and 2008, was $26.14, $22.21 and $26.80, respectively. The total fair value of vested employee options was $29.0 million, $42.7 million and $68.8 million, during the years ended December 31, 2010, 2009 and 2008, respectively.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

11. Stockholders' Equity (Continued)

Total share-based compensation relating to employee stock options for the years ended December 31, 2010, 2009 and 2008, is as follows (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Cost of service sales	$ 15	$ 46	$ 52
Research and development	3,087	9,188	10,344
Selling, general and administrative	19,265	29,930	15,158
Stock option expense before taxes	22,367	39,164	25,554
Related income tax benefits	(8,231)	(14,491)	(10,222)
Total stock option expense, net of taxes	$ 14,136	$ 24,673	$ 15,332
Total stock option expense capitalized in inventory	$ 290	$ 972	$ 520

As of December 31, 2010, there was $477,000 in unrecognized compensation cost related to unvested employee stock options which is expected to be recognized during 2011.

Information regarding both employee and non-employee stock option exercises is summarized below (dollars in thousands):

	Year Ended December 31,		
	2010	2009	2008
Number of options exercised	3,335,114	1,358,067	2,045,944
Cash received from options exercised	$ 85,427	$ 32,611	$ 41,936
Total intrinsic value of options exercised	$ 102,905	$ 29,060	$ 58,657
Tax benefits realized from options exercised	$ 23,826	$ 4,406	$ 21,090

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

11. Stockholders' Equity (Continued)

Earnings (loss) per Share

The components of basic and diluted earnings (loss) per share were as follows (in thousands, except per share amounts):

	For Years Ended December 31,		
	2010	2009	2008
Net income (loss) (numerator)	$ 105,916	$ 19,462	$ (49,327)
Shares (denominator):			
Basic weighted-average shares outstanding	56,142	53,314	45,802
Effect of dilutive securities:			
Convertible Senior Notes	2,131	399	—
Stock options(1)	1,243	2,420	—
Diluted weighted-average shares	59,516	56,133	45,802
Earnings (loss) per share			
Basic	$ 1.89	$ 0.37	$ (1.08)
Diluted	$ 1.78	$ 0.35	$ (1.08)
Stock options and warrants excluded from calculation (2)	6,885	6,786	16,240

(1) Calculated using the treasury stock method

(2) Certain stock options and warrants were excluded from the computation of diluted earnings per share because their impact would be antidilutive.

Shareholder Rights Plan

In June 2008, we entered into an Amended and Restated Rights Agreement with The Bank of New York as Rights Agent (the Plan), which amends and restates our original Rights Agreement dated December 17, 2000. The Plan, as amended and restated, extended the expiration date of the Preferred Share Purchase Rights (Rights) from December 29, 2010 to June 26, 2018, and increased the purchase price of each Right from $64.75 and $400.00, respectively. Each Right entitles holders to purchase one one-thousandth of a share of our Series A Junior Participating Preferred Stock. Rights are exercisable only upon our acquisition by another company, or commencement of a tender offer that would result in ownership of 15 percent or more of the outstanding shares of our voting stock by a person or group (as defined under the Plan) without our prior express written consent. As of December 31, 2010, we have not issued any shares of our Series A Preferred Stock.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

12. Comprehensive Income (Loss)

Comprehensive income (loss) comprised the following (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Net income (loss)	$ 105,916	$ 19,462	$ (49,327)
Other comprehensive income:			
Foreign currency translation (loss) gain	(642)	2,802	(5,489)
Marketable investments—available-for-sale			
Unrealized holding gains (losses), net of tax	134	44	(4,702)
Reclassification adjustment for other-than-temporary impairment realized in income, net of tax	—	—	4,511
Unrealized gain (loss) on available-for-sale securities, net	134	44	(191)
Unrecognized prior period service cost, net of tax	(3,224)	92	(414)
Unrecognized actuarial pension loss, net of tax	(1,129)	(1,339)	(136)
Comprehensive income (loss)	$ 101,055	$ 21,061	$ (55,557)

13. Income Taxes

Components of income tax (expense) benefit consist of the following (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Current:			
Federal	$ 26,302	$ 14,304	$ —
State	1,879	1,999	1,275
Foreign	846	158	391
Total current	29,027	16,461	1,666
Deferred			
Federal	(5,301)	(24,397)	(68,695)
State	1,480	(2,508)	(5,311)
Foreign	(1,289)	168	(206)
Total deferred	(5,110)	(26,737)	(74,212)
Other non-current(1)			
Federal	15,855	7,965	36,408
State	1,608	1,616	1,744
Foreign	543	—	—
Total other	18,006	9,581	38,152
Total income tax (expense) benefit	$ 41,923	$ (695)	$ (34,394)

(1) Relates primarily to share-based compensation.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

13. Income Taxes (Continued)

Presented below is a reconciliation of income taxes computed at the statutory federal tax rate to income tax expense (benefit) as reported (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Federal tax provision computed at 35%	$ 51,743	$ 7,738	$ (29,302)
State tax provision, net of federal tax provision	1,233	748	(2,024)
Change in valuation allowance allocated to tax expense	—	(833)	—
General business credits	(14,759)	(10,899)	(7,101)
Incentive stock option expense	(1,201)	(1,354)	1,288
Section 199 deduction	(3,627)	(2,207)	—
Nondeductible compensation expense	7,342	4,821	—
Nondeductible expenses	1,192	1,291	2,745
Total income tax (benefit) expense	$ 41,923	$ (695)	$ (34,394)

Components of the net deferred tax asset are as follows (in thousands):

	December 31,	
	2010	2009
Deferred tax assets:		
General business credits	$ 89,211	$ 80,882
Impairment losses on investments	2,875	2,895
Realized losses on marketable investments	2,732	2,752
License fees capitalized for tax purposes	58,942	60,200
Nonqualified stock options	30,379	36,064
SERP	7,188	4,498
STAP awards	31,801	18,696
Other	22,611	14,194
Total deferred tax assets	245,739	220,181
Deferred tax liabilities:		
Plant and equipment principally due to differences in depreciation	(23,341)	(5,834)
Other	(1,657)	—
Net deferred tax asset before valuation allowance	220,741	214,347
Valuation allowance	(6,021)	(6,186)
Net deferred tax assets	$ 214,720	$ 208,161

Deferred tax assets are reduced by a valuation allowance when, in the opinion of our management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. In evaluating our ability to realize deferred tax assets, we consider all available positive and negative evidence. Accordingly, we consider past operating results, forecasts of earnings and taxable income, the reversal of temporary differences and any prudent and feasible tax planning strategies. Future increases in the valuation allowance would result in a corresponding charge to earnings in the period such a determination is made. Conversely, future reductions to the valuation allowance would result in the recognition of a tax benefit in the period we conclude a reduction is warranted. In September 2009, we completed a corporate restructuring related to certain of our wholly-owned subsidiaries. Consequently,

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

13. Income Taxes (Continued)

we reduced our valuation allowance maintained against certain state net operating losses in the amount of $5.6 million.

As of December 31, 2010, we had business tax credit carryforwards of approximately $89.2 million. These carryforwards expire on various dates through 2025. Certain business tax credit carryforwards that were generated at various dates prior to December 2008 are subject to limitations on their use pursuant to Internal Revenue Code Section 382 (Section 382) as a result of ownership changes as defined by Section 382. However, we do not expect these business tax credits to expire unused. We are currently reviewing our stock trading history for the year ended December 31, 2010 to ascertain whether any further ownership changes have occurred pursuant to Section 382.

A reconciliation of the beginning and ending balances of the total amounts of unrecognized tax benefit for the years indicated is as follows (in thousands):

Unrecognized tax benefit at January 1, 2010	$ 6,736
Gross increases—tax positions in prior period	670
Gross decreases—tax positions in prior period	—
Gross increases—tax positions in the current period	—
Gross decreases—tax positions in current period	—
Settlements	—
Lapse of statute of limitations	—
Unrecognized tax benefit at December 31, 2010	$ 7,406
Unrecognized tax benefit at January 1, 2009	$ 5,882
Gross increases—tax positions in prior period	854
Gross decreases—tax positions in prior period	—
Gross increases—tax positions in the current period	—
Gross increases—tax positions in the current period	—
Settlements	—
Lapse of statute of limitations	—
Unrecognized tax benefit at December 31, 2009	$ 6,736
Unrecognized tax benefit at January 1, 2008	$ 2,989
Gross increases—tax positions in prior period	2,893
Gross decreases—tax positions in prior period	—
Gross increases—tax positions in the current period	—
Gross increases—tax positions in the current period	—
Settlements	—
Lapse of statute of limitations	—
Unrecognized tax benefit at December 31, 2008	$ 5,882

Included in unrecognized tax benefits at December 31, 2010, 2009 and 2008, is $453,000, $538,000 and $1.8 million, respectively, of tax benefits that, if recognized, would impact the effective tax rate. For the years ended December 31, 2010, 2009 and 2008, we did not accrue, or recognize, any interest and penalties related to uncertain tax positions.

We are unaware of any positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

13. Income Taxes (Continued)

We are subject to federal and state taxation in the United States and various foreign jurisdictions. Our tax years from 2007 to 2009 are subject to examination by federal and state tax authorities. In addition, general business tax credits generated between 1998 and 2006 are subject to review as those credits were first utilized in 2008. We believe that appropriate provisions for all outstanding items have been made for all jurisdictions and open years.

14. Employee Benefit Plans

Supplemental Executive Retirement Plan

We maintain the United Therapeutics Corporation Supplemental Executive Retirement Plan (SERP) to provide retirement benefits to certain senior members of our management team.

Participants who retire at age 60 are eligible to receive monthly payments based on an average of their total gross base salary over the last 36 months of active employment, subject to certain adjustments, as defined under the SERP. Related benefit payments will commence on the first day of the sixth month after retirement and will continue through the remainder of the participant's life. Alternatively, participants can elect to receive a lump sum distribution equal to the present value of the estimated monthly payments that would have been received upon retirement. Participants who terminate employment for any reason other than death, disability, or change in control prior to age 60 will not be entitled to any benefits under the SERP.

To help fund our obligations under the SERP, we maintain the United Therapeutics Corporation Supplemental Executive Retirement Plan Rabbi Trust Document (Rabbi Trust). Participants of the SERP will have no preferred claim on, nor any beneficial ownership interest in, any assets of the Rabbi Trust. The balance in the Rabbi Trust was approximately $5.1 million as of December 31, 2010 and 2009. Investments held in the rabbi trust have been included under the caption, "Marketable investments and cash—restricted" on our consolidated balance sheets.

We recognize on our consolidated balance sheet a liability equal to the unfunded status of the SERP (equal to the projected benefit obligation as we do not fund the SERP) and measure our projected benefit obligation as of the end of our fiscal year. Expenses related to the SERP are reported in selling, general and administrative and research and development expenses in the accompanying consolidated statements of operations.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

14. Employee Benefit Plans (Continued)

The following table reconciles the beginning and ending balances of the projected benefit obligation (in thousands):

	Year Ended December 31,	
	2010	2009
Projected benefit obligation at beginning of year	$ 14,502	$ 9,173
Service cost	3,688	2,645
Interest cost	883	558
Plan amendments	5,452	—
Actuarial loss (gain)	1,902	2,126
Projected benefit obligation at end of year	$ 26,427	$ 14,502
Fair value of plan assets at end of year	—	—
Unfunded at end of year(1)	$ 26,427	$ 14,502

(1) Included within other non-current liabilities on our consolidated balance sheets. The increase in the projected benefit obligation as of December 31, 2010 compared to December 31, 2009 reflects the addition of two new participants to the SERP during the current year and a reduction in the discount rate used to project our obligation under the SERP.

The accumulated benefit obligation for the SERP, a measure that does not encompass future increases in participant salaries, was $17.1 million and $9.5 million at December 31, 2010 and 2009, respectively.

Future estimated benefit payments, based on current assumptions, including election of lump-sum distributions and expected future service, are as follows (in thousands):

Years ending December 31,	
2011	$ —
2012	—
2013	—
2014	—
2015	24,213
2016-2020	—
	$ 24,213

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

14. Employee Benefit Plans (Continued)

The following weighted-average assumptions were used to measure the SERP obligation:

Years Ended December 31,	2010	2009
Discount Rate	4.80%	5.25%
Salary Increases	5.00%	5.00%

The components of net periodic pension cost recognized on our consolidated statement of operations were composed of the following (in thousands):

Years Ended December 31,	2010	2009	2008
Service cost	$ 3,688	$ 2,645	$ 2,664
Interest cost	883	558	386
Prior period service cost amortization	370	146	145
Amortization of net actuarial loss	118	—	—
Total	$ 5,059	$ 3,349	$ 3,195

Amounts relating to the SERP that have been recognized in other comprehensive income (loss) are as follows (in thousands):

Years Ended December 31,	2010	2009	2008
Net unrecognized actuarial loss	$ 1,784	$ 2,126	$ 200
Net unrecognized prior service cost	5,082	(146)	879
Total	6,866	1,980	1,079
Tax	(2,513)	(733)	(529)
Total, net of tax	$ 4,353	$ 1,247	$ 550

The table below presents amounts included in accumulated other comprehensive income (loss) that have not yet been recognized as a component of net periodic pension cost on our consolidated statements of operations (in thousands):

December 31,	2010	2009	2008
Net unrecognized actuarial loss (gain)	$ 4,068	$ 2,284	$ 158
Net unrecognized prior service cost	6,528	1,445	1,591
Total	10,596	3,729	1,749
Tax	(3,894)	(1,379)	(647)
Total, net of tax	$ 6,702	$ 2,350	$ 1,102

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

14. Employee Benefit Plans (Continued)

Estimated amounts included in accumulated other comprehensive income as of December 31, 2010 that are expected to be recognized as components of net periodic pension cost on our statement of operations for the year ended December 31, 2011 comprise the following (in thousands):

Net prior service cost amortization	$ 664
Amortization of net actuarial loss	137
Total	$ 801

Employee Retirement Plan

We maintain a Section 401(k) Salary Reduction Plan (401(k) Plan) which is open to all eligible full-time employees. Under the 401(k) Plan, eligible employees can make pre-tax contributions up to statutory limits. We make discretionary matching contributions to the 401(k) Plan currently equal to 40 percent of a participant's salary deferral. Matching contributions vest immediately for participants who have been employed for three years; otherwise, matching contributions vest annually, in one-third increments over a three-year period until the three-year employment requirement has been met. Expenses related to the 401(k) Plan were $1.4 million, $847,000 and $407,000 for the years ended December 31, 2010, 2009 and 2008, respectively.

15. Assignment and License Agreements

GlaxoSmithKline PLC

In January 1997, GlaxoSmithKline PLC (Glaxo) assigned to us patents and patent applications for the use of the stable prostacyclin analogue UT-15 (now known as treprostinil) for the treatment of PAH and congestive heart failure. Under the agreement, Glaxo is entitled to receive royalties from us on sales exceeding a specified threshold for a period of ten years following the date of the first commercial sale of any product containing treprostinil, currently Remodulin and Tyvaso. The terms of the agreement provide Glaxo rights to negotiate a license with us if we license any part of the marketing rights under the agreement to a third party. Additionally, if we grant any third-party license rights to Remodulin or Tyvaso, Glaxo would be entitled to a percentage of all related fees that we would receive on such arrangements.

Pfizer Inc.

Pursuant to a December 1996 license agreement, Pfizer Inc. (Pfizer) exclusively licensed to us patents and a patent application for the composition and production of treprostinil. Under the license agreement, as amended in 2002, we pay royalties to Pfizer equal to 4 percent of annual net sales of Remodulin and Tyvaso in excess of $25.0 million. Related royalties are reduced by up to 50 percent in the event that we pay royalties to a third party in order to market or develop treprostinil. Pfizer is entitled to these royalties for a period of ten years from the date of the first commercial sale of any product containing treprostinil.

Eli Lilly and Company

In November 2008, we entered into three agreements with Eli Lilly and Company (Lilly): a license agreement, a manufacturing and supply agreement and a stock purchase agreement. These agreements became effective in December 2008 and are described below.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

15. Assignment and License Agreements (Continued)

License Agreement. Lilly granted us an exclusive right to develop, market, promote and commercialize Adcirca for the treatment of pulmonary hypertension in the United States and Puerto Rico. In connection with these license rights, we made a one-time, upfront payment to Lilly of $25.0 million. Additionally, we agreed to pay Lilly royalties of 5% of our net sales of Adcirca as a pass through of Lilly's third-party royalty obligations for as long as Lilly is required to make such royalty payments. The term of the license agreement will continue generally until the later of (1) the expiration or lapse of the last to expire claim within a Lilly patent covering commercialization of Adcirca, or (2) expiration of any government conferred exclusivity rights to Adcirca. In addition, at Lilly's discretion the license agreement may be terminated in the event that we undergo a change in control.

Manufacturing and Supply Agreement. Terms of the manufacturing and supply agreement provide that Lilly will manufacture Adcirca and distribute it via its wholesaler network in the same manner that it distributes its own pharmaceutical products. We agreed to purchase Adcirca from Lilly at a fixed manufacturing cost, which is subject to adjustment by Lilly from time to time. Under the terms of the manufacturing and supply agreement we made a one-time, upfront, non-refundable, non-creditable payment to Lilly of $125.0 million. The manufacturing and supply agreement will continue in effect until expiration or termination of the license agreement.

Stock Purchase Agreement. On December 18, 2008, we issued 6,301,674 shares of our common stock from treasury to Lilly in exchange for $150.0 million. The price per share was equal to 90% of the average closing price of our common stock quoted on the NASDAQ Global Select Market during the five trading day period ending on November 17, 2008. Upon the completion of the sale of our common stock to Lilly, the license and manufacturing and distribution agreements discussed above became effective.

We expensed to research and development all up-front payments paid to Lilly totaling $150.0 million during the fourth quarter of 2008, as Adcirca had not received regulatory approval and we had no alternative uses for the license rights.

Toray Industries, Inc.

In June 2000, we entered into an agreement with Toray for the exclusive right to develop and market beraprost, a chemically stable oral prostacyclin analogue, in a sustained release formulation (beraprost-SR) in the United States and Canada for the treatment of all cardiovascular indications. In March 2007, we amended the agreement to expand our rights to commercialize a modified release formulation of beraprost (beraprost-MR). In accordance with the terms of the amended agreement, we issued 400,000 shares of our common stock to Toray in March 2007. The terms of the amended agreement give Toray the right to request that we repurchase the shares we issued to them at the price of $27.21 per share. Accordingly, the repurchase value of the stock issued has been included within temporary equity on our consolidated balance sheets. If Toray requests that we repurchase these shares, we will reclassify an amount equal to the repurchase price as a liability until settlement occurs. The amended agreement also requires that we make certain milestone payments to Toray during the development period and upon receipt of regulatory approval in the United States or the European Union. In September 2010, we entered into a supplement to our license agreement with Toray under which we agreed on the timing of two milestone payments under our existing agreement, in the amounts of $4.0 million and $5.0 million. All conditions relating to these milestone payments were satisfied in the fourth quarter of 2010; accordingly, during the quarter we paid Toray $4.0 million and recognized a $5.0 million liability and associated expense relating to the second milestone, which will be

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

15. Assignment and License Agreements (Continued)

paid to Toray during the first quarter of 2011. Milestone payments are expensed as research and development when incurred since beraprost-MR has not demonstrated commercial feasibility.

Supernus Pharmaceuticals, Inc.

In June 2006, we entered into an exclusive license agreement with Supernus Pharmaceuticals, Inc. (Supernus) for use of certain technologies developed by Supernus in our sustained release oral treprostinil product. The agreement requires us to make milestone payments to Supernus in connection with the development of oral treprostinil and its commercial launch. Additionally, we will pay a royalty to Supernus based on net worldwide sales of the initial product. Royalties will be paid for approximately twelve years commencing with the first product sale subject to adjustments. Additional milestone and royalty payments may be due for the development and commercialization of other products using the technology granted under this license.

ImmuneWorks, Inc.

In February 2010, we entered into a Development Agreement with ImmuneWorks, Inc. to develop IW001, a purified bovine (derived from cows) Type V Collagen oral solution for the treatment of Idiopathic Pulmonary Fibrosis, a progressive lung disease characterized by abnormal and excessive deposition of fibrotic tissue in the lung, and Primary Graft Dysfunction, a type of organ rejection in patients receiving lung transplant. In addition to funding the development program, we were granted an option to acquire all of the issued and outstanding capital stock of ImmuneWorks, Inc.

Other

We are party to various other license agreements relating to our key therapeutic platforms and to other therapeutic platforms. These license agreements require us to make royalty payments based on a percentage of sales of related products ranging from 1.0 percent to 30.0 percent and may require other payments upon the achievement of certain milestones.

16. Related Party Transaction

In September 2002, we entered into a technical services agreement for certain telemedicine technology development services for Medicomp with Kurzweil Technologies, Inc. (KTI), a company controlled by Raymond Kurzweil, a non-independent member of our Board of Directors. Pursuant to this agreement, we paid KTI a monthly consulting fee. In addition, we agreed to pay KTI a five percent royalty on certain sales of products reasonably attributed to and dependent upon the technology developed by KTI under the technical services agreement which are covered by claims of an issued and unexpired U.S. patent(s). We terminated the services performed under this agreement in December 2006; however, we maintained the royalty obligation subsequent to termination. KTI has been awarded patents based on certain work performed under the technical services agreement. For the year ended December 31, 2010, royalties incurred to KTI were $355,000. In connection with our agreement to sell Medicomp (see Note 20— *Subsequent Event)* , KTI has tentatively agreed to terminate further royalty obligations under this agreement in exchange for a $250,000 payment upon closing of the Medicomp sale. If we are not able to negotiate termination of the agreement, the agreement will be assigned to Medicomp upon closing of the Medicomp sale.

In May 2007, we entered into a new technical services agreement with KTI. Pursuant to this agreement, we agreed to pay KTI consulting fees of up to $12,000 monthly. We also agreed to

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

16. Related Party Transaction (Continued)

reimburse KTI on a monthly basis for all necessary, reasonable and direct out-of-pocket expenses incurred in connection with his services. Under the agreement, we could pay KTI up to a 5 percent royalty on sales of certain products reasonably attributed to and dependent upon certain technology developed by KTI. We incurred $144,000, $172,000, and $145,000 in expenses during the years ended December 31, 2010, 2009 and 2008, respectively under this agreement.

As of December 31, 2010 and 2009, we owed KTI $97,000, and none, respectively.

17. Distribution Agreements

We entered into our distribution agreements for Tyvaso with our U.S.-based specialty pharmaceutical distributors in August 2009. The Tyvaso distribution agreements have one-year terms that renew automatically for additional one-year periods, unless terminated earlier. The Tyvaso distribution agreements are similar to the distribution agreements we have for Remodulin. Both distribution agreements contain similar contractual responsibilities including those relating to ordering specifications, inventory requirements and exchange rights. Distribution agreements for Tyvaso require of our distributors certain services on a fee-for-service basis. If any of our distribution agreements expire or terminate, we may under certain circumstances be required to repurchase any unsold Tyvaso inventory held by our distributors. None of our current distribution agreements grants our distributors the distribution rights for oral treprostinil.

In March 2007, we entered into an exclusive agreement with Mochida Pharmaceutical Co., Ltd. (Mochida) to distribute subcutaneous and intravenous Remodulin in Japan. Mochida is responsible, with our assistance, for obtaining Japanese marketing authorization for Remodulin, including conducting necessary studies. We will supply the drug used in these studies at no charge to Mochida. Commercial activities in Japan are not expected to begin until late 2012. Upon receipt of marketing authorization and pricing approval, Mochida will purchase Remodulin from us at an agreed-upon transfer price. To date, we have received $8.0 million in related payments from Mochida pursuant to the distribution agreement. Future payments required to be made to us under the agreement include the following: $2.0 million upon filing a New Drug Application in Japan and $2.0 million upon the receipt of marketing approval in Japan. We recognize revenue ratably on fees received in connection with this arrangement from the period related fees are realizable through the expected date of regulatory approval.

In June 2010, we entered into an exclusive agreement with Lee's Pharmaceutical (HK) Limited (Lee's Pharma) to distribute subcutaneous and intravenous Remodulin in China. Lee's Pharma is also responsible, with our assistance, for obtaining marketing authorization for Remodulin in China, including conducting necessary studies. We will supply the drug used in these studies at no charge to Lee's Pharma. Commercial activities in China are not expected to begin until late 2012. Upon receipt of marketing authorization and pricing approval, Lee's Pharma will purchase Remodulin from us at an agreed-upon transfer price. Under our agreement, Lee's Pharma is required to make distributor rights payments to us on specified dates and upon the receipt of marketing approval. As of December 31, 2010, we have received $200,000 in distributor rights payments and are expecting an additional $1.4 million in 2011. Upon the receipt of marketing approval in China, a final payment of $1.4 million will become due. We recognize revenue ratably on fees realizable in connection with this arrangement through the expected date of regulatory approval.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

18. Acquisition of Tyvaso Inhalation System Business

In September 2009 we acquired all of the assets, properties and rights used in the Tyvaso Inhalation System from NEBU-TEC pursuant to the terms of a December 2008 agreement. We acquired the Tyvaso Inhalation System business to obtain control over production of the device and related accessories. The assets and rights acquired included the necessary inputs, processes and outputs to be accounted for as a business combination. The acquisition date fair value of the consideration transferred included $6.8 million in cash and $4.8 million in contingent consideration, of which, $9.8 million was allocated to identifiable intangible assets and $1.3 million to goodwill.

Pursuant to the terms of the acquisition, we agreed to pay NEBU-TEC up to €10.0 million in contingent consideration in specified increments if the number of patients using the Tyvaso Inhalation System meets or exceeds certain thresholds measured at designated intervals. We also have the option to purchase NEBU-TEC's next generation nebulizer, the SIM-Neb.

19. Segment Information

We have two reportable business segments: pharmaceutical and telemedicine. The pharmaceutical segment includes all activities associated with the research, development, manufacturing and commercialization of our therapeutic products. The telemedicine segment includes all activities associated with the development and manufacturing of patient cardiac monitoring products and services. The telemedicine segment is managed separately because diagnostic services require different technology and marketing strategies than therapeutic products.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

19. Segment Information (Continued)

Segment information as of and for the year ended December 31, 2010, is presented below (in thousands):

	Pharmaceutical	Telemedicine	Consolidated Totals
Revenues from external customers	$ 592,899	$ 10,932	$ 603,831
Net income (loss)	113,334	(7,418)	105,916
Interest income	2,939	—	2,939
Interest expense	(19,710)	(4)	(19,714)
Income tax expense	(41,872)	(51)	(41,923)
Depreciation and amortization	(16,908)	(1,012)	(17,920)
Equity loss in affiliate	(160)	—	(160)
Investments in equity method investees	720	—	720
Expenditures for long-lived assets	(17,197)	(1,443)	(18,640)
Goodwill	2,487	—	2,487
Total assets	1,408,722	22,913	1,431,635

Segment information as of and for the year ended December 31, 2009, is presented below (in thousands):

	Pharmaceutical	Telemedicine	Consolidated Totals
Revenues from external customers	$ 358,880	$ 10,968	$ 369,848
Net income	19,398	64	19,462
Interest income	5,146	—	5,146
Interest expense	(12,875)	—	(12,875)
Income tax benefit	695	—	695
Depreciation and amortization	(10,685)	(709)	(11,394)
Equity loss in affiliate	(141)	—	(141)
Investments in equity method investees	880	—	880
Expenditures for long-lived assets	(92,790)	(2,610)	(95,400)
Goodwill	2,585	6,178	8,763
Total assets	1,031,087	20,457	1,051,544

Segment information as of and for the year ended December 31, 2008, is presented below (in thousands):

	Pharmaceutical	Telemedicine	Consolidated Totals
Revenues from external customers	$ 272,012	$ 9,485	$ 281,497
Net (loss) income	(49,997)	670	(49,327)
Interest income	11,025	—	11,025
Interest expense	(11,439)	—	(11,439)
Income tax benefit	34,394	—	34,394
Depreciation and amortization	(4,026)	(510)	(4,536)
Equity loss in affiliate	(226)	—	(226)
Investments in equity method investees	1,021	—	1,021
Expenditures for long-lived assets	(122,992)	(1,423)	(124,415)
Goodwill	1,287	6,178	7,465
Total assets	856,950	17,584	874,534

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

19. Segment Information (Continued)

The preceding segment disclosures agree to consolidated totals when combined. There were no inter-segment transactions during any of the years presented.

Pharmaceutical segment revenues by product are as follows (in thousands):

Year Ended December 31,	2010	2009	2008
Remodulin	$ 403,598	$ 331,579	$ 269,718
Tyvaso	151,797	20,268	—
Adcirca	36,307	5,789	—
Total	$ 591,702	$ 357,636	$ 269,718

Geographic revenues are determined based on the country in which our customers (distributors) are located. Net revenues to external customers by geographic area are as follows (in thousands):

Year Ended December 31,	2010	2009	2008
United States	$ 546,745	$ 328,939	$ 249,209
Rest-of-World(1)	57,086	40,909	32,288
Total	$ 603,831	$ 369,848	$ 281,497

(1) Sales primarily to countries located in Europe.

For the years ended December 31, 2010, 2009 and 2008, sales to one customer within our pharmaceutical segment comprised 64%, 68% and 62%, respectively, of total consolidated net revenues.

Long-lived assets (principally property, plant and equipment) located by geographic area are as follows (in thousands):

Year Ended December 31,	2010	2009	2008
United States	$ 284,591	$ 281,330	$ 209,578
Rest-of-World(1)	21,453	22,529	13,139
Total	$ 306,044	$ 303,859	$ 222,717

(1) Long-lived assets consisted of facilities acquired that are primarily located in the United Kingdom.

20. Subsequent Event

On February 7, 2011, we entered into an agreement and plan of merger pursuant to which we will sell our wholly owned telemedicine subsidiary, Medicomp, Inc. (Medicomp), to a group of private investors including Medicomp's current president. As Medicomp does not represent a core component of our business, its sale will allow us to devote more resources to our principal operations. Upon closing of the merger, we will sell 100 percent of the outstanding stock of Medicomp in exchange for aggregate consideration of $14.9 million, consisting of approximately $3.0 million in cash and/or shares of United Therapeutics common stock held by the investors, and an $11.9 million, ten-year promissory note to be issued by Medicomp at closing. The promissory note will bear interest at 5.0 percent per annum. Closing of the sale is subject to customary closing conditions and regulatory approvals.

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

20. Subsequent Event (Continued)

Assuming timely receipt of regulatory approvals, we expect closing to occur in March or April 2011. Upon closing of the sale, we will acquire a 19.9 percent ownership interest in Medicomp in exchange for $1.0 million in cash and a reduction in the face value of the promissory note by approximately $2.0 million.

Additionally, we obtained royalty-free license rights to use Medicomp's proprietary detection technology to develop and commercialize a smart-phone based arrhythmia detection application for patients in the individual consumer market.

Due to the regulatory conditions to closing that are not within our control, the pending sale of Medicomp did not meet all of the criteria for held-for-sale classification as of December 31, 2010. In addition, we have not presented the results of Medicomp as a discontinued operation on our consolidated statements of operations because we continue to hold an investment in another telemedicine-related company (a 4% investment with a book value of $4.9 million) and because of our plan to develop and commercialize a smart-phone based arrhythmia detection application using Medicomp's detection technology. As such, we expect to generate continuing cash flows from this component of our business subsequent to the disposition of Medicomp.

Major classes of assets and liabilities of Medicomp subject to this sale are presented below (in thousands):

	December 31, 2010
Assets	
Cash	$ 1,329
Accounts receivable and inventory	1,692
Deferred tax assets	8,882
Other assets	4,308
Total assets	$ 16,211
Other current liabilities	$ 1,341

Based on the pending disposition of Medicomp, we evaluated the related goodwill for impairment as of December 31, 2010. We concluded that the selling price for Medicomp was reasonable relative to the selling prices of comparable entities within the telemedicine industry. Therefore, we used the selling price as an initial indicator that goodwill may be impaired. We then determined the fair value of Medicomp by adjusting the selling price based on the estimated fair value of the long-term promissory note. The fair value of the promissory note was determined using a discounted cash flow (DCF) model. Significant inputs used in the DCF model included the expected timing and amounts of cash flows and a discount factor representative of companies with a size and credit risk profile similar to Medicomp. The fair value of Medicomp and the implied fair value of goodwill were lower than their respective carrying values at December 31, 2010. As a result, we recognized an impairment charge of $6.2 million to write-off the carrying value of Medicomp's goodwill. The impairment charge has been included in selling, general and administrative expenses for the year ended December 31, 2010. See also *Note 2—Summary of Significant Accounting Policies-Goodwill and Other Intangible Assets* .

UNITED THERAPEUTICS CORPORATION

Notes to Consolidated Financial Statements (Continued)

21. Quarterly Financial Information (Unaudited)

The following presents summarized quarterly financial information for each of the years ended December 31, 2010 and 2009 (in thousands, except per share amounts):

	Quarter Ended			
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Net sales	$ 166,477	$ 170,983	$ 137,491	$ 128,880
Gross profit	146,010	148,922	120,525	113,712
Net incon	9,544	39,736	37,707	18,929
Net incon per share basic	$ 0.17	$ 0.70	$ 0.67	$ 0.35
Net incon per share dilute	$ 0.15	$ 0.66	$ 0.62	$ 0.32

	Quarter Ended			
	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Net sales	$ 108,923	$ 97,215	$ 83,980	$ 79,730
Gross profit	95,146	84,179	73,573	70,402
Net (loss) incon	(3,330)	11,937	(2,344)	13,197
Net (loss) incon per share basic	$ (0.06)	$ 0.22	$ (0.04)	$ 0.25
Net (loss) incon per share dilute	$ (0.06)	$ 0.21	$ (0.04)	$ 0.24

22. Legal Proceedings

As previously disclosed in each of our Quarterly Reports on Form 10-Q beginning with the quarter ended September 30, 2009, as well as in our Annual Report on Form 10-K for the year ended December 31, 2009, purported shareholders filed derivative lawsuits against certain of our directors and named executive officers and us as a nominal defendant. On October 25, 2010, the parties entered into a stipulation to settle these derivative lawsuits. On January 21, 2011, the Court entered an order approving the stipulation and settlement, and the period for appealing that order expired on February 22, 2011. Although the order required the payment of certain fees and expenses to the attorneys for the plaintiffs, that amount has been paid in full by our insurance carrier at no expense to us. The derivative lawsuits are, therefore, resolved and have had no material impact on our statements of financial position or operations.

From time to time, we may be involved in other lawsuits and proceedings incidental to the conduct of our business. We are not a party to any lawsuit or proceeding that, in the opinion of our management, is likely to have a material adverse effect on our financial position or results of operations.

United Therapeutics Corporation
Schedule II—Valuation and Qualifying Accounts
Years Ended December 31, 2010, 2009, and 2008
(In thousands)

	Valuation Allowance on Deferred Tax Assets			
	Balance at Beginning of Year	Additions Charged to Expense	Deductions	Balance at End of Year
Year ended December 31, 2010	$ 6,186	$ —	$ (165)	$ 6,021
Year ended December 31, 2009	$ 11,822	$ 100	$ (5,736)	$ 6,186
Year ended December 31, 2008	$ 7,548	$ 6,414	$ (2,140)	$ 11,822

	Reserve for Inventory Obsolescence			
	Balance at Beginning of Year	Additions Charged to Expense	Deductions	Balance at End of Year
Year ended December 31, 2010	$ 1,271	$ 1,676	$ (85)	$ 2,862
Year ended December 31, 2009	$ 411	$ 1,222	$ (362)	$ 1,271
Year ended December 31, 2008	$ 508	$ 183	$ (280)	$ 411

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of December 31, 2010. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2010.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended). Our internal control over financial reporting was designed to provide reasonable assurance to our management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. All internal controls over financial reporting, no matter how well designed, have inherent limitations. As a result of these inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those internal controls determined to be effective can provide only reasonable assurance with respect to reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2010, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework* . Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of our internal control over financial reporting. Based on this assessment, our management concluded that, as of December 31, 2010, our internal control over financial reporting was effective.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting. The report of Ernst & Young LLP is contained in Item 8 of this Annual Report on Form 10-K.

Attestation of Independent Registered Public Accounting Firm

The attestation report of our independent registered public accounting firm regarding internal control over financial reporting is set forth in Item 8 of this Annual Report on Form 10-K under the caption "Report of Independent Registered Public Accounting Firm" and incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by Item 10 regarding nominees and directors appearing under Proposal No. 1: *Election of Directors* in our definitive proxy statement for our 2011 annual meeting of shareholders scheduled for June 29, 2011 (the 2011 Proxy Statement) is hereby incorporated herein by this reference. Information regarding our executive officers appears in Part I, Item I of this Annual Report on Form 10-K under the heading *Executive Officers of the Registrant* . Information regarding the Audit Committee and the Audit Committee's financial expert appearing under the heading *Committees of our Board of Directors—Audit Committee* in our 2011 Proxy Statement is hereby incorporated herein by this reference.

Information appearing under the heading *Section 16(a) Beneficial Ownership Reporting Compliance* in our 2011 Proxy Statement is hereby incorporated herein by this reference.

We have a written Code of Conduct and Ethics that applies to our principal executive officer, principal financial officer and our principal accounting officer and every other director, officer and employee of United Therapeutics. The Code of Conduct and Ethics is available on our Internet website at *http://www.unither.com* . A copy of the Code of Conduct and Ethics will be provided free of charge by making a written request and mailing it to our corporate headquarters offices to the attention of the Investor Relations Department. If any amendment to, or a waiver from, a provision of the Code of Conduct and Ethics that applies to the principal executive officer, principal financial officer and principal accounting officer is made, such information will be posted on our Internet website at *www.unither.com* .

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation required by Item 11 appears under the headings *Corporate Governance, Board of Directors, Committees—Non - Employee Director Compensation , Compensation Discussion and Analysis, Summary Compensation Table and Grants of Plan-Based Awards Table, and Narratives to Summary Compensation Table and Grants of Plan-Based Awards Table* in our 2011 Proxy Statement and is hereby incorporated herein by this reference.

Information concerning the Compensation Committee required by Item 11 appears under the heading *Compensation Committee Report* in our 2011 Proxy Statement and is hereby incorporated herein by this reference.

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

The information regarding beneficial ownership of our common stock required by Item 12 appears under *Beneficial Ownership of Common Stock* in our 2011 Proxy Statement and is hereby incorporated herein by this reference.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table presents information as of December 31, 2010, regarding our securities authorized for issuance under equity compensation plans:

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plan approved by security holders	5,964,987	$ 36.26	10,954,737
Equity compensation plans not approved by security holders	174,043	8.24	N/A
Total	6,139,030	$ 35.47	10,954,737

We have one equity incentive plan approved by security holders in 1997. In addition, prior to 2005, we granted options to employees and consultants outside of the plan approved by security holders (non-plan options). Information regarding the security holder approved plan is contained in Note 11— *Shareholders' Equity* to the consolidated financial statements included in this Annual Report on Form 10-K. We do not have any warrants or rights that are outstanding or available for issuance as described in Regulation S-K Item 201(d). Securities issued pursuant to the non-plan awards were made under a standard agreement generally consistent with the form contained in Exhibit 10.10 to this Annual Report on Form 10-K.

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

Information concerning related party transactions and director independence required by Item 13 appears under the heading *Corporate Governance, Board of Directors, Committees—Certain Relationships and Related Party Transactions, Corporate Governance, Board of Directors, Committees—Related Party Transaction Policy, Corporate Governance, Board of Directors, Committees—Director Independence and Committees of our Board of Directors* in our 2011 Proxy Statement and is hereby incorporated herein by this reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item, concerning the principal accounting fees paid by the Registrant and the Audit Committee's pre-approval policies and procedures, is incorporated by reference to the information under the heading *Report of the Audit Committee and Information on our Independent Auditors* in our 2011 Proxy Statement and is hereby incorporated herein by this reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

In reviewing the agreements included or incorporated by reference as exhibits to this Annual Report on Form 10-K, it is important to note that they are included to provide investors with information regarding their terms, and are not intended to provide any other factual or disclosure information about United Therapeutics or the other parties to the agreements. The agreements contain representations and warranties made by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement, and: should not be treated as categorical statements of fact, but rather as a way of allocating risk between the parties; have in some cases been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement; may apply standards of materiality in a way that is different from what may be material to investors; and were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about United Therapeutics may be found elsewhere in this Annual Report on Form 10-K and our other public filings, which are available without charge through the SEC's website at *http://www.sec.gov* .

(a)(1) Our financial statements filed as part of this report on Form 10-K are set forth in the Index to Consolidated Financial Statements under Part II, Item 8 of this Form 10-K.

(a)(2) The Schedule II—Valuation and Qualifying Accounts is filed as part of this Form 10-K. All other schedules are omitted because they are not applicable or not required, or because the required information is included in the consolidated statements or notes thereto.

(a)(3) Exhibits filed as a part of this Form 10-K are listed on the Exhibit Index, which is incorporated by reference herein.

Certain exhibits to this report have been included only with the copies of this report filed with the Securities and Exchange Commission. Copies of individual exhibits will be furnished to shareholders upon written request to United Therapeutics and payment of a reasonable fee (covering the expense of furnishing copies). Shareholders may request exhibit copies by contacting: United Therapeutics Corporation, Attn: Investor Relations, 1040 Spring Street, Silver Spring, Maryland 20910.

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, thereto duly authorized.

UNITED THERAPEUTICS CORPORATION

By: /s/ MARTINE A. ROTHBLATT

Martine A. Rothblatt, Ph.D.
Chairman of the Board and Chief Executive Officer

February 24, 2011

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.

Signatures	Title	Date
/s/ MARTINE A. ROTHBLATT Martine A. Rothblatt	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 24, 2011
/s/ JOHN M. FERRARI John M. Ferrari	Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	February 24, 2011
/s/ ROGER A. JEFFS Roger A. Jeffs	President, Chief Operating Officer and Director	February 24, 2011
/s/ CHRISTOPHER CAUSEY Christopher Causey	Director	February 24, 2011
/s/ RAYMOND DWEK Raymond Dwek	Director	February 24, 2011
/s/ RICHARD GILTNER Richard Giltner	Director	February 24, 2011
/s/ R. PAUL GRAY R. Paul Gray	Director	February 24, 2011
/s/ RAYMOND KURZWEIL Raymond Kurzweil	Director	February 24, 2011

Signatures	Title	Date
/s/ CHRISTOPHER PATUSKY Christopher Patusky	Director	February 24, 2011
/s/ LOUIS W. SULLIVAN Louis W. Sullivan	Director	February 24, 2011
/s/ TOMMY G. THOMPSON Tommy Thompson	Director	February 24, 2011

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant, incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form S-1 (Registration No. 333-76409).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Registrant, incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K, filed on June 28, 2010.
3.3	Second Amended and Restated By-laws of the Registrant, incorporated by reference to Exhibit 3.2 of the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008.
3.4	Form of Certificate of Designations, Preferences and Rights of Series A Junior Participating Preferred Stock, incorporated by reference to Exhibit A to Exhibit 4 to the Registrant's Current Report on Form 8-K, filed December 18, 2000.
4.1	Reference is made to Exhibits 3.1, 3.2 and 3.3.
4.2	First Amended and Restated Rights Agreement, incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on July 3, 2008.
4.3	Indenture, dated October 30, 2006, between the Registrant and The Bank of New York, as trustee (including form of 0.50% Convertible Senior Note due October 15, 2011), incorporated by reference to Exhibit 4.1 of Registrant's Current Report on Form 8-K filed October 30, 2006.
4.4	Resale Registration Rights Agreement, dated October 30, 2006, between the Registrant and Deutsche Bank Securities Inc., as the initial purchaser, incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed October 30, 2006.
10.1**	United Therapeutics Corporation Amended and Restated Equity Incentive Plan, as amended effective as of September 24, 2004, incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q for the quarter ended September 30, 2004.
10.2**	Amended and Restated Executive Employment Agreement dated as of January 1, 2009, between the Registrant and Martine A. Rothblatt, incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.
10.3**	Employment Agreement dated June 16, 2001 between the Registrant and Paul A. Mahon, incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002.
10.4*	Exclusive License Agreement dated as of December 3, 1996, between the Registrant Pharmacia & Upjohn Company, incorporated by reference to Exhibit 10.8 of the Registrant's Registration Statement on Form S-1 (Registration No. 333-76409).
10.5*	Assignment Agreement dated as of January 31, 1997, between the Registrant and affiliates of Glaxo Wellcome Inc., incorporated by reference to Exhibit 10.9 of the Registrant's Registration Statement on Form S-1 (Registration No. 333-76409).
10.6**	Employment Agreement dated November 29, 2000 between the Registrant and Roger Jeffs, incorporated by reference to Exhibit 10.9 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002.
10.7	Form of Indemnification Agreement between the Registrant and each of its Directors and Executive Officers, incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.
10.8	Amendment No. 1 to Exclusive License Agreement, effective as of December 3, 1996, made as of October 1, 2002 by and between Pharmacia & Upjohn Company and the Registrant, incorporated by reference to Exhibit 10.25 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.

Exhibit No.	Description
10.9	Technical Services Agreement dated August 27, 2002 between the Registrant and Kurzweil Technologies, Inc., incorporated by reference to Exhibit 10.26 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.
10.10**	Standard Non-plan Option Award Agreement used by the Registrant, incorporated by reference to Exhibit 10.39 of the Registrant's Form 10-K for the fiscal year ended December 31, 2002.
10.11**	Amendment to Employment Agreement dated December 11, 2002 between the Registrant and Roger Jeffs, incorporated by reference to Exhibit 10.40 of the Registrant's Form 10-K for the fiscal year ended December 31, 2002.
10.12**	Amendment to Employment Agreement dated December 11, 2002 between the Registrant and Paul Mahon, incorporated by reference to Exhibit 10.43 of the Registrant's Form 10-K for the fiscal year ended December 31, 2002.
10.13**	Amendment to Employment Agreement between Roger Jeffs, Ph.D. and the Registrant dated November 29, 2000, as previously amended, incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on December 29, 2004.
10.14**	Amendment to Employment Agreement between Paul A. Mahon and the Registrant dated June 16, 2001, as previously amended, incorporated by reference to Exhibit 10.4 of the Registrant's Form 8-K filed on December 29, 2004.
10.15**	Form of terms and conditions for awards granted to Employees by the Registrant under the Amended and Restated Equity Incentive Plan, incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on December 17, 2004.
10.16**	Form of terms and conditions for awards granted to Non-Employees by the Registrant under the Amended and Restated Equity Incentive Plan, incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on December 17, 2004.
10.17**	United Therapeutics Corporation Supplemental Executive Retirement Plan, effective as of July 1, 2006, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on May 4, 2006.
10.18**	Employment Agreement, dated August 2, 2006, between John Ferrari and the Registrant, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on August 4, 2006.
10.19**	Amendment, dated July 31, 2006, to amended Employment Agreement, dated November 29, 2000, between Roger Jeffs, Ph.D. and the Registrant, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on August 4, 2006.
10.20**	Amendment, dated July 31, 2006, to amended Employment Agreement, dated June 16, 2001, between Paul A. Mahon and the Registrant, incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed on August 4, 2006.
10.21	Confirmation, dated October 24, 2006, between Deutsche Bank AG London and the Registrant, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on October 30, 2006.
10.22	Confirmation, dated October 24, 2006, between Deutsche Bank AG London and the Registrant, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on October 30, 2006.
10.23**	Amendment, dated December 28, 2006, to Employment Agreement, dated August 2, 2006, between John Ferrari and the Registrant, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on December 29, 2006.
10.24	United Therapeutics Corporation Supplemental Executive Retirement Plan Rabbi Trust Document entered into December 28, 2007, by and between the Registrant and Wilmington Trust Company, as trustee, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on December 28, 2007.

Exhibit No.	Description
10.25**	United Therapeutics Corporation Share Tracking Awards Plan, incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
10.26**	First Amendment to the United Therapeutics Corporation Share Tracking Awards Plan, incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on September 18, 2009.
10.27**	Form of terms and conditions for awards granted to Non-Employees by the Registrant under the United Therapeutics Corporation Share Tracking Awards Plan, incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
10.28**	Form of terms and conditions for awards granted to Employees by the Registrant prior to January 1, 2010, under the United Therapeutics Corporation Share Tracking Awards Plan, incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
10.29**	Form of Grant Letter used by Registrant under the United Therapeutics Corporation Share Tracking Awards Plan, incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
10.30*	License Agreement, dated as of November 14, 2008, by and between Eli Lilly and Company and the Registrant, incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on December 24, 2008.
10.31*	Manufacturing and Supply Agreement, dated as of November 14, 2008, by and between Eli Lilly and Company, Lilly del Caribe, Inc. and the Registrant incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed on December 24, 2008.
10.32**	Form of Amendment to Employment Agreement between the Registrant and each of Roger Jeffs, Paul Mahon and John Ferrari, each dated as of January 1, 2009, incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.
10.33**	Form of Amendment to Employment Agreement between the Registrant and each of Roger Jeffs, Paul Mahon and John Ferrari, each dated as of February 22, 2010, incorporated by reference to Exhibit 10.46 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009.
10.34	Distribution Agreement dated August 17, 2009 between the Registrant and Accredo Health Group, Inc., incorporated by reference to Exhibit 10.47 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009.
10.35**	Form of terms and conditions for awards granted to Employees by the Registrant on or after January 1, 2010, under the United Therapeutics Corporation Share Tracking Awards Plan, incorporated by reference to Exhibit 10.48 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009.
10.36	Stipulation of Settlement, dated October 25, 2010, among the parties to a derivative lawsuit against the directors and officers of the Registrant identified therein, incorporated by reference to Exhibit 10.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 2010.
10.37***	Credit Agreement, dated December 27, 2010, among the Registrant, the lenders party thereto from time to time, Wells Fargo Bank, National Association, as the Administrative Agent, and certain subsidiaries of the Registrant, as guarantors.
10.38***	Amended and Restated Distribution Agreement, dated as of February 21, 2011, between the Registrant and Accredo Therapeutics, Inc.
12.1	Computation of Earnings to Fixed Charges.
21	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from our Annual Report on Form 10-K for the year ended December 31, 2010, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements (tagged as blocks of text)(1)

(1) The XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

* Confidential treatment has been granted with respect to certain portions of this exhibit pursuant to Rule 406 of the Securities Act of 1933, as amended or Rule 246-2 of the Securities Act of 1934 as amended. The omitted portions of this document have been filed with the Securities and Exchange Commission.

** Designates management contracts and compensation plans.

*** Confidential treatment has been requested for portions of this document. The omitted portions of this document have been filed with the Securities and Exchange Commission.

Exhibit 10.37

Pursuant to 17 C.F.R §240.24b-2, confidential information (indicated as [***]) has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application filed with the Commission.

CREDIT AGREEMENT

among

UNITED THERAPEUTICS CORPORATION,
as Borrower,

THE LENDERS PARTY HERETO,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

and agreed to by

CERTAIN SUBSIDIARIES OF THE BORROWER PARTY HERETO,
as Guarantors

Dated as of December 27, 2010

WELLS FARGO SECURITIES, LLC,
as Sole Lead Arranger and Sole Bookrunner

Prepared by:

Moore&VanAllen

TABLE OF CONTENTS

Schedules

Exhibits

THIS CREDIT AGREEMENT , dated as of December 27, 2010, is by and among UNITED THERAPEUTICS CORPORATION, a Delaware corporation (the " Borrower "), the entities which are parties hereto from time to time as lenders (individually, each a " Lender " and collectively, the " Lenders ") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the Lenders hereunder (in such capacity, the " Administrative Agent ") and agreed to by certain Subsidiaries (as hereinafter defined) of the Borrower in their capacity as Guarantors.

W I T N E S S E T H :

WHEREAS, the Credit Parties (as hereinafter defined) have requested that the Lenders make a Loan (as hereinafter defined) to the Borrower in an aggregate amount of $70,000,000, as more particularly described herein; and

WHEREAS , the Lenders have agreed to make such Loan to the Borrower on the terms and conditions contained herein.

NOW, THEREFORE , for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms .

As used in this Agreement, terms defined in the preamble to this Agreement have the meanings therein indicated, and the following terms have the following meanings:

" Account Designation Notice " shall mean the Account Designation Notice dated as of the Closing Date from the Borrower to the Administrative Agent in substantially the form attached hereto as Exhibit 1.1(a) .

" Additional Credit Party " shall mean each Person that becomes a Guarantor by execution of a Joinder Agreement in accordance with Section 5.9.

" Administrative Agent " or " Agent " shall have the meaning set forth in the first paragraph of this Agreement and shall include any successors in such capacity.

" Administrative Questionnaire " shall mean an Administrative Questionnaire in a form supplied by the Administrative Agent.

" Affiliate " shall mean, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

" Agreement " or " Credit Agreement " shall mean this Agreement, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof.

"Allocated Loan Amount " shall mean, in respect of each Mortgaged Property, the allocated Loan amount assigned to such Mortgaged Property, as set forth on Schedule 1.0 attached hereto.

" Alternate Base Rate " shall mean, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the sum of (i) LIBOR (as determined pursuant to the definition of LIBOR), for an Interest Period of one (1) month commencing on such day plus (ii) 1%, in each instance as of such date of determination. For purposes hereof: " Prime Rate " shall mean, at any time, the rate of interest per annum publicly announced or otherwise identified from time to time by Wells Fargo at its principal office in San Francisco, California as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in the Prime Rate occurs. The parties hereto acknowledge that the rate announced publicly by Wells Fargo as its Prime Rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks; and " Federal Funds Effective Rate " shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three (3) federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive in the absence of manifest error) (A) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including, without limitation, the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms above or (B) that the Prime Rate or LIBOR no longer accurately reflects an accurate determination of the prevailing Prime Rate or LIBOR, the Administrative Agent may select a reasonably comparable index or source to use as the basis for the Alternate Base Rate, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in any of the foregoing will become effective on the effective date of such change in the Federal Funds Rate, the Prime Rate or LIBOR for an Interest Period of one (1) month. Notwithstanding anything contained herein to the contrary, to the extent that any of the determinations described in Section 2.9 are made by the applicable parties, clause (c) hereof shall not be in effect and the Alternate Base Rate shall be the greater of (i) the Prime Rate in effect on such day and (ii) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%.

" Alternate Base Rate Loans " shall mean Loans that bear interest at an interest rate based on the Alternate Base Rate.

" A.M. Best " shall mean A.M. Best Company, Inc.

" Applicable Percentage " shall mean, (a) for LIBOR Rate Loans, 3.75% per annum and (b) for Alternate Base Rate Loans, 2.75% per annum.

" Appraisal " shall have the meaning set forth in Section 4.1(d)(viii).

" Approved Fund " shall mean any Fund that is administered, managed or underwritten by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

" Arranger " shall mean WFS.

" Asset Disposition " shall mean the disposition of any or all of the assets (including, without limitation, the Equity Interests of a Subsidiary or any ownership interest in a joint venture) of any Credit Party or any Subsidiary of a Credit Party whether by assignment, sale, lease, transfer, conveyance or otherwise, in a single transaction or in a series of transactions; provided , the sale of inventory by any

Credit Party or any Subsidiary of a Credit Party in the ordinary course of business shall not constitute an Asset Disposition.

" Assignment and Assumption " shall mean an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.6), and accepted by the Administrative Agent, in substantially the form of Exhibit 1.1(b) or any other form approved by the Administrative Agent.

" Attributable Indebtedness " shall mean, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease.

" Bankruptcy Code " shall mean the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

" Bankruptcy Event " shall mean any of the events described in Section 7.1(f).

" Beneficiaries " shall have the meaning set forth in the Guaranty Agreement.

" Board " shall mean the Board of Governors of the Federal Reserve System of the United States or any successor.

" Borrower " shall have the meaning set forth in the first paragraph of this Agreement.

" Business " shall have the meaning set forth in Section 3.18(c).

" Business Day " shall mean any day other than a Saturday, Sunday or other day on which commercial banks in Charlotte, North Carolina or New York, New York are authorized or required by law to close; provided , however , that when used in connection with a rate determination, borrowing or payment in respect of a LIBOR Rate Loan, the term "Business Day" shall also exclude any day on which banks in London, England are not open for dealings in Dollar deposits in the London interbank market.

" Capital Lease " shall mean any lease of property, real or personal, the obligations with respect to which are required to be capitalized on a balance sheet of the Borrower in accordance with GAAP.

" Capital Lease Obligations " shall mean the capitalized lease obligations relating to a Capital Lease determined in accordance with GAAP.

" Cash " shall mean coin or currency of the United States or immediately available federal funds, including, without limitation, such funds delivered by wire transfer.

" Cash Equivalents " shall have the meaning as specified for such term under GAAP.

" Casualty " shall mean any damage or destruction of any portion of any Mortgaged Property as a result of a fire or other casualty.

" Change in Law " shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any

law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

" Closing Date " shall mean the date of this Agreement.

" Code " shall mean the Internal Revenue Code of 1986, as amended, modified, succeeded or replaced from time to time.

" Collateral " shall mean a collective reference to the collateral which is identified in, and at any time will be covered by, the Security Documents; provided that there shall be excluded from the Collateral (a) any account, instrument, chattel paper or other obligation or property of any kind due from, owed by, or belonging to, a Sanctioned Person or Sanctioned Entity or (b) any lease in which the lessee is a Sanctioned Person or Sanctioned Entity.

" Commonly Controlled Entity " shall mean any trade or business, whether or not incorporated, which is under common control with any Credit Party within the meaning of Section 4001 of ERISA or is part of a group which includes any Credit Party and which is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of determining liability under Section 302 of ERISA and Section 412 of the Code, which is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

" Condemnation " shall mean a temporary or permanent taking by any Governmental Authority, as the result, in lieu or in anticipation, of the exercise of the right of condemnation or eminent domain, of all or any part of any Mortgaged Property, or any interest therein or right accruing thereto, including, without limitation, any right of access thereto or any change of grade affecting any Mortgaged Property or any part thereof, including, without limitation, if (a) all, or substantially all, of any Mortgaged Property is permanently expropriated, (b) any points of ingress or egress of any Mortgaged Property to public roadways are materially and permanently impaired by expropriation so as to have a Material Adverse Effect or (c) any material portion of any Mortgaged Property is expropriated so as otherwise to have a Material Adverse Effect.

" Consolidated " shall mean, when used with reference to financial statements or financial statement items of the Borrower and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of GAAP.

" Consolidated Depreciation and Amortization Expense " shall mean, for any period, for the Borrower and its Subsidiaries on a Consolidated basis, depreciation and amortization expense, as determined in accordance with GAAP.

" Consolidated EBITDA " shall mean, for any period, for the Borrower and its Subsidiaries on a Consolidated basis, an amount equal to Consolidated Net Income for such period plus (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period, (ii) Consolidated Income Tax Expense (if positive) for such period, (iii) Consolidated Depreciation and Amortization Expense for such period, (iv) Consolidated Share-Based Compensation for such period, (v) non-cash license fees for such period, and (vi) impairment charges for such period minus (b) the following to the extent included in calculating such Consolidated Net Income: Consolidated Income Tax Expense (if negative) for such period.

" Consolidated Funded Indebtedness " shall mean, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of

all obligations, whether current or long-term, for borrowed money (including, without limitation, Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money Indebtedness, (c) all direct obligations arising under letters of credit (including, without limitation, standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) Attributable Indebtedness in respect of Capital Leases and Synthetic Lease Obligations, (f) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (e) above of Persons other than the Borrower or any Subsidiary, and (g) all Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability Borrower) in which the Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary.

" Consolidated Income Tax Expense " shall mean, for any period, for the Borrower and its Subsidiaries on a Consolidated basis, income tax expense, as determined in accordance with GAAP.

" Consolidated Interest Charges " shall mean, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses of the Borrower and its Subsidiaries in connection with borrowed money (including, without limitation, capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (b) the portion of rent expense of the Borrower and its Subsidiaries with respect to such period under Capital Leases that is treated as interest in accordance with GAAP.

" Consolidated Leverage Ratio " shall mean, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

" Consolidated Net Income " shall mean, for any period, for the Borrower and its Subsidiaries on a Consolidated basis, the net income of the Borrower and its Subsidiaries, as determined in accordance with GAAP (but excluding extraordinary gains and extraordinary losses) for that period.

" Consolidated Share-Based Compensation " shall mean, for any period, for the Borrower and its Subsidiaries on a Consolidated basis, share-based compensation, as determined in accordance with GAAP (which includes non-cash expenses incurred in connection with stock options and STAP awards).

" Contractual Obligation " shall mean, as to any Person, any provision of any security issued by such Person or of any contract, agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

" Control " shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. " Controlling " and " Controlled " have meanings correlative thereto.

" Credit Documents " shall mean this Agreement, each of the Notes, the Guaranty Agreement, any Joinder Agreement, the Security Documents, the Environmental Indemnity and all other agreements, documents, certificates and instruments delivered to the Administrative Agent or any Lender by any Credit Party in connection therewith (other than any agreement, document, certificate or instrument related to a Hedging Agreement).

" Credit Party " shall mean each of the Borrower and the Guarantors.

" Credit Party Obligations " shall mean, without duplication, (a) the Obligations and (b) all liabilities and obligations, whenever arising, owing from any Credit Party or any of its Subsidiaries to any Hedging Agreement Provider arising under any Secured Hedging Agreement.

" Default " shall mean any of the events specified in Section 7.1, whether or not any requirement for the giving of notice or the lapse of time, or both, or any other condition, has been satisfied.

" Default Rate " shall mean, when used with respect to the Obligations, an interest rate equal to (a) for Alternate Base Rate Loans (i) the Alternate Base Rate plus (ii) the Applicable Percentage applicable to Alternate Base Rate Loans plus (iii) 2% per annum and (b) for LIBOR Rate Loans, (i) the LIBOR Rate plus (ii) the Applicable Percentage applicable to LIBOR Rate Loans plus (iii) 4% per annum.

" Defaulting Lender " shall mean, at any time, any Lender that, at such time (a) has failed to make a Loan required pursuant to the terms of this Agreement, (b) has failed to pay to the Administrative Agent or any Lender an amount owed by such Lender pursuant to the terms of this Agreement and such default remains uncured, or (c) has been deemed insolvent or has become subject to a bankruptcy or insolvency proceeding or to a receiver, trustee or similar official.

" Dollars " and " $ " shall mean dollars in lawful currency of the United States.

" Domestic Lending Office " shall mean, initially, the office of each Lender designated as such Lender's Domestic Lending Office shown in such Lender's Administrative Questionnaire; and thereafter, such other office of such Lender as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office of such Lender at which Alternate Base Rate Loans of such Lender are to be

made.

" Effective Date " shall have the meaning set forth in each Assignment and Assumption.

" Eligible Assignee " shall mean (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent and (ii) unless an Event of Default has occurred and is continuing and so long as the primary syndication of the Loan has been completed as determined by Wells Fargo, the Borrower (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include (A) any Credit Party or any of the Credit Party's Affiliates or Subsidiaries or (B) any Defaulting Lender (or any of its Affiliates).

" Engagement Letter " shall mean the letter agreement dated November 22, 2010, addressed to Mr. John Ferrari, Chief Financial Officer of the Borrower, from WFS, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof.

" Environmental Indemnity " shall mean the Environmental Indemnity Agreement dated as of the Closing Date by and among the Borrower, the Lenders and the Administrative Agent, and as hereinafter joined by the Guarantors pursuant to the execution of the Guaranty Agreement or a Joinder Agreement, as applicable, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof.

" Environmental Laws " shall mean any and all applicable foreign, federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any

Governmental Authority or other Requirement of Law (including, without limitation, common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time be in effect during the term of this Agreement.

" Environmental Permits " shall mean any and all permits, licenses, approvals, registrations, notifications, exemptions and other authorizations under or pursuant to any Environmental Law.

" Environmental Report " shall have the meaning set forth in Section 4.1(d)(v).

" Equity Interest " shall mean (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general, preferred or limited), (d) in the case of a limited liability company, membership interests and (e) any other interest or participation that confers or could confer on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person including, without limitation, options, warrants and any other "equity security" as defined in Rule 3a11-1 of the Exchange Act.

" ERISA " shall mean the Employee Retirement Income Security Act of 1974, as amended, modified, succeeded or replaced from time to time.

" Eurodollar Reserve Percentage " shall mean for any day, the percentage (expressed as a decimal and rounded upwards, if necessary, to the next higher 1/100th of 1%) which is in effect for such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) in respect of Eurocurrency liabilities, as defined in Regulation D of such Board as in effect from time to time, or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

" Event of Default " shall have the meaning set forth in Section 7.1.

" Exchange Act " shall mean the Securities Exchange Act of 1934, as amended, modified, succeeded or replaced from time to time.

" Excluded Taxes " shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located, (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 2.12(f), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.12 and (d) any Taxes imposed on any "withholdable payment" payable to such recipient as a result of the failure of such recipient to satisfy the applicable requirements as set forth in FATCA after December 31, 2012.

" Extension of Credit " shall mean, as to any Lender, the making of a portion of the Loan by such Lender as of the Closing Date, any conversion of a portion of the Loan from one Type to another Type, and any extension of any portion of the Loan.

" FATCA " shall mean Sections 1471 through 1474 of the Code and any regulations promulgated thereunder or official interpretations thereof.

" Fair Market Value " shall have the meaning as specified for such term under GAAP.

" Federal Funds Effective Rate " shall have the meaning set forth in the definition of "Alternate Base Rate".

" Fixtures " shall have the meaning set forth in the applicable Mortgage Instrument.

" Flood Hazard Property " shall mean real property designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

" Flood Insurance Acts " shall have the meaning set forth in Section 5.6(b)(i).

" Flood Insurance Policies " shall have the meaning set forth in Section 5.6(b)(i).

" Foreign Benefit Arrangement " shall mean any employee benefit arrangement mandated by non-US law that is maintained or contributed to by any Credit Party or any Commonly Controlled Entity.

" Foreign Lender " shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each state or commonwealth thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

" Foreign Plan " shall mean each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to United States law and is maintained or contributed to by any Credit Party or any Commonly Controlled Entity.

" Foreign Subsidiary " shall mean any Subsidiary of the Borrower, organized under the laws of any jurisdiction outside the fifty (50) states of the United States.

" Fund " shall mean any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

" GAAP " shall mean generally accepted accounting principles in effect in the United States applied on a consistent basis, subject , however , in the case of determination of compliance with the financial covenants set out in Section 5.11 to the provisions of Section 1.3.

" Governmental Authority " shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the National Association of Securities Dealers and any supra-national bodies such as the European Union or the European Central Bank).

" Guarantor " shall mean each Subsidiary of the Borrower that from time to time after the Closing Date becomes a party to the Guaranty Agreement pursuant to the execution of the Guaranty Agreement or a Joinder Agreement, as applicable.

" Guarantee Requirement " shall mean, at any time, that the Guaranty Agreement shall have been executed by each Material Subsidiary existing at such time (with each such Material Subsidiary having executed the Guaranty Agreement or joining the same pursuant to the execution and delivery of a Joinder Agreement), shall have been delivered to the Administrative Agent and shall be in full force and effect.

" Guaranty " or " Guaranty Agreement " shall mean the guaranty of the Guarantors set forth in the Guaranty Agreement in the form of Exhibit 1.1(g) which shall be executed by the initial Guarantor after the Closing Date and joined from time to time pursuant to the execution of a Joinder Agreement by additional Guarantors after the Closing Date, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof.

" Guaranty Obligations " shall mean, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including, without limitation, any obligation, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting security therefor, (b) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including, without limitation, keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (c) to lease or purchase property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (d) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

" Hedging Agreement " shall mean, with respect to any Person, any agreement entered into to protect such Person against fluctuations in interest rates, or currency or raw materials values, including, without limitation, any interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more counterparties, any foreign currency exchange agreement, currency protection agreements, commodity purchase or option agreements or other interest or exchange rate hedging agreements, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with its terms.

" Hedging Agreement Provider " shall mean any Person that (a) has provided the Administrative Agent with a fully executed Secured Party Designation Notice, substantially in the form of Exhibit 1.1(c) and (b) enters into a Secured Hedging Agreement with a Credit Party or any of its Subsidiaries to the extent that such Person is a Lender, an Affiliate of a Lender or any other Person that was a Lender (or an Affiliate of a Lender) at the time it entered into the Secured Hedging Agreement but has ceased to be a Lender (or whose Affiliate has ceased to be a Lender) under this Agreement; provided , in the case of a Secured Hedging Agreement with a Person who is no longer a Lender or an Affiliate of a Lender, such Person shall be considered a Hedging Agreement Provider only through the stated maturity date (without extension or renewal) of such Secured Hedging Agreement.

" Improvements " shall have the meaning set forth in the Mortgage Instrument.

" Indebtedness " shall mean, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations (including, without limitation, earnout obligations) of such Person incurred, issued or assumed as the deferred purchase price of property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (e) all obligations of such Person under take-or-pay or similar arrangements or under commodities agreements, (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all Guaranty Obligations of such Person with respect to Indebtedness of another Person, (h) the principal portion of all Capital Lease Obligations plus any accrued interest thereon, (i) all net obligations of such Person under Hedging Agreements, (j) the maximum amount of all letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (k) all preferred Equity Interests issued by such Person and which by the terms thereof could be (at the request of the holders thereof or otherwise) subject to mandatory sinking fund payments, redemption or other acceleration, (l) the principal balance outstanding under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product plus any accrued interest thereon, (m) all obligations of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer and (n) obligations of such Person under non-compete agreements to the extent such obligations are quantifiable contingent obligations of such Person under GAAP principles.

" Indemnified Taxes " shall mean Taxes other than Excluded Taxes.

" Indemnitee " shall have the meaning set forth in Section 9.5(b).

" Information Materials " shall have the meaning set forth in Section 5.13(a).

" Initial Guarantor Joinder Agreement " shall mean a Joinder Agreement in substantially the form of Exhibit 1.1(h) , executed and delivered by the initial Guarantor in accordance with the provisions of Section 5.9, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof.

" Insolvency " shall mean, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of such term as used in Section 4245 of ERISA.

" Insolvent " shall have the meaning pertaining to a condition of Insolvency.

" Intellectual Property " shall have the meaning set forth in Section 3.9.

" Intercompany Debt " shall have the meaning set forth in Section 9.19.

" Interest Payment Date " shall mean (a) as to any Alternate Base Rate Loan, the last Business Day of each calendar month and the applicable Maturity Date, (b) as to any LIBOR Rate Loan, the last day of each Interest Period, and (c) as to any portion of the Loan which is the subject of a mandatory prepayment required pursuant to Section 2.7(b), the date on which such mandatory prepayment is due.

" Interest Period " shall mean, with respect to any LIBOR Rate Loan,

(a) initially, the period commencing on the Closing Date or conversion date, as the case may be, with respect to such LIBOR Rate Loan and ending one (1) month thereafter, subject to availability to all Lenders, as selected by the Borrower in the Notice of Conversion/Extension given with respect thereto; and

(b) thereafter, each period commencing on the last day of the immediately preceding Interest Period applicable to such LIBOR Rate Loan and ending one (1) month thereafter, subject to availability to all Lenders, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three (3) Business Days prior to the last day of the then current Interest Period with respect thereto; provided that the foregoing provisions are subject to the following:

(i) if any Interest Period pertaining to a LIBOR Rate Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period pertaining to a LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month;

(iii) if the Borrower shall fail to give notice as provided above, the Borrower shall be deemed to have selected an Alternate Base Rate Loan to replace the affected LIBOR Rate Loan;

(iv) no Interest Period shall extend beyond the Maturity Date; and

(v) no more than one (1) LIBOR Rate Loan may be in effect at any time.

" Joinder Agreement " shall mean a Joinder Agreement in substantially the form of Exhibit 1.1(d) , executed and delivered by an Additional Credit Party in accordance with the provisions of Section 5.9, as amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof.

" Land " shall have the meaning set forth in the applicable Mortgage Instrument.

" Lender " shall have the meaning set forth in the first paragraph of this Agreement.

" Lender Consent " shall mean any lender consent delivered by a Lender on the Closing Date in the form of Exhibit 4.1(a) .

" LIBOR " shall mean, for any LIBOR Rate Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, then "LIBOR" shall mean the rate per annum at which, as determined by the Administrative Agent in

accordance with its customary banking industry practices, Dollars in an amount comparable to the Loans then requested are being offered to leading banks at approximately 11:00 a.m. (London time), two (2) Business Days prior to the commencement of the applicable Interest Period for settlement in immediately available funds by leading banks in the London interbank market for a period equal to the Interest Period selected.

" LIBOR Lending Office " shall mean, initially, the office(s) of each Lender designated as such Lender's LIBOR Lending Office in such Lender's Administrative Questionnaire or regarding Wells Fargo, as such is otherwise designated by Wells Fargo to the Administrative Agent; and thereafter, such other office of such Lender as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office of such Lender at which the LIBOR Rate Loans of such Lender are to be made.

" LIBOR Rate " shall mean a rate per annum (rounded upwards, if necessary, to the next higher 1/100th of 1%) determined by the Administrative Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

" LIBOR Rate Loan " shall mean that portion of the Loan the rate of interest applicable to which is based on the LIBOR Rate.

" LIBOR Tranche " shall mean the collective reference to LIBOR Rate Loans whose Interest Periods begin and end on the same day.

" Lien " shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, (a) any conditional sale or other title retention agreement and any Capital Lease having substantially the same economic effect as any of the foregoing and (b) the filing of, or the agreement to give, any UCC financing statement).

" Loan " shall mean an Alternate Base Rate Loan or a LIBOR Rate Loan, as the case may be.

" Loan Commitment " shall mean, with respect to each Lender, the commitment of such Lender to make its portion of the Loan in a principal amount equal to such Lender's Loan Commitment Percentage of the Loan Committed Amount.

" Loan Commitment Percentage " shall mean, for each Lender, the Loan Commitment Percentage specified for such Lender on Schedule 1.1 or in the Assignment and Assumption pursuant to which such Lender became a Lender hereunder, as such percentage may be modified in connection with any assignment made in accordance with the provisions of Section 9.6(b).

" Loan Committed Amount " shall have the meaning set forth in Section 2.1(a).

" Loan Facility " shall have the meaning set forth in Section 2.1(a).

" Marketable Securities " shall mean (a) obligations of the U. S. Treasury, (b) U. S. Agency obligations, (c) notes or debentures issued or guaranteed by a state or political subdivision of a state, and (d) any non-convertible unsecured corporate debt obligations with a credit rating of A or higher by S&P and A2 or higher by Moody's, which debt securities shall have a term to stated maturity not exceeding ten

years and are traded over any U.S. national or major regional securities exchange or foreign securities exchange. All Marketable Securities shall be invested in accordance with the investment policy approved by the Borrower's Board of Directors, as amended, restated or replaced.

" Maryland Mortgaged Property " shall mean the Mortgaged Property located in Maryland.

" Material Adverse Effect " shall mean a material adverse effect on (a) the business, operations, property, assets or financial condition of the Borrower or of the Credit Parties and their Subsidiaries taken as a whole, (b) the ability of the Borrower or any Guarantor to perform its obligations, when such obligations are required to be performed, under this Agreement, any of the Notes or any other Credit Document, (c) the validity or enforceability of this Agreement, any of the Notes or any of the other Credit Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder, or (d) the economic value, useful life, utility, condition, operational capacity or functional capacity of any Mortgaged Property.

" Material Contract " shall mean (a) any written contract or other agreement of the Credit Parties or any of its Subsidiaries involving monetary liability of or to any such Person in an amount in excess of $20,000,000 per annum, (b) any written contract or other agreement of the Credit Parties or any of their Subsidiaries representing at least $20,000,000 of the total Consolidated revenues of the Credit Parties and their Subsidiaries for any fiscal year and (c) any other written contract, agreement, permit or license of the Credit Parties or any of its Subsidiaries as to which the breach, nonperformance, cancellation or failure to renew by any party thereto, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

" Material Subsidiary " shall have the meaning set forth in Section 5.9.

" Materials of Environmental Concern " shall mean any gasoline or petroleum (including, without limitation, crude oil or any extraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, perchlorate, polychlorinated biphenyls and urea-formaldehyde insulation, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in similar properties for the purpose of cleaning, construction or other maintenance or operations and otherwise in compliance with all, and so not to give rise to any liability under any, Environmental Laws.

" Maturity Date " shall mean the date that is four (4) years following the Closing Date.

" Moody's " shall mean Moody's Investors Service, Inc.

" Mortgage Instrument " shall mean each mortgage, deed of trust or deed to secure debt executed by the Borrower in favor of the Administrative Agent, for the benefit of the Secured Parties, as the same may be amended, modified, extended, restated, replaced, or supplemented from time to time, in accordance with the terms hereof.

" Mortgage Policy " shall mean, with respect to the Mortgage Instrument, an ALTA mortgagee title insurance policy issued by a title insurance company (the " Title Insurance Company ") selected by the Administrative Agent in an amount satisfactory to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

" Mortgaged Property " shall mean each real property of the Borrower listed in Schedule 3.23(j) and with respect to which the Borrower executed a Mortgage Instrument in favor of the Administrative Agent.

" Mortgaged Property Disposition " shall mean any disposition by the Borrower of any Mortgaged Property or any portion thereof, whether by assignment, sale, lease, transfer, conveyance or otherwise in a single transaction or in a series of transactions.

" Multiemployer Plan " shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" North Carolina Mortgaged Property " shall mean the Mortgaged Property located in North Carolina.

" Note " or " Notes " shall mean each of the promissory notes of the Borrower (if any) in favor of any of the Lenders evidencing the portion of the Loan provided by any such Lender pursuant to Section 2.1(a), individually or collectively, as appropriate, as such promissory notes may be amended, modified, extended, restated, replaced, or supplemented from time to time.

" Notice of Borrowing " shall mean the written notice of borrowing of a LIBOR Rate Loan or an Alternate Base Rate Loan, in each case substantially in the form of Exhibit 1.1(e) .

" Notice of Conversion/Extension " shall mean the written notice of conversion of a LIBOR Rate Loan to an Alternate Base Rate Loan or an Alternate Base Rate Loan to a LIBOR Rate Loan, or extension of a LIBOR Rate Loan, in each case substantially in the form of Exhibit 1.1 (f) .

" Obligations " shall mean, collectively, the Loan and all other of the obligations, Indebtedness and liabilities of the Credit Parties to the Lenders and the Administrative Agent, whenever arising, under this Agreement, the Notes or any of the other Credit Documents, including, without limitation, principal, interest, fees, costs, charges, expenses, professional fees, reimbursements, all sums chargeable to the Credit Parties or for which any Credit Party is liable as an indemnitor under the Credit Documents and whether or not evidenced by a note or other instrument and indemnification obligations and other amounts under the Credit Documents (including, without limitation, any interest accruing after the occurrence of a filing of a petition of bankruptcy under the Bankruptcy Code with respect to any Credit Party, regardless of whether such interest is an allowed claim under the Bankruptcy Code).

" OFAC " shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

" Organizational Agreements " shall mean the articles of incorporation, charter documents, bylaws, operating agreements or any similar documents regarding any of the Credit Parties.

" Other Taxes " shall mean all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document.

" Participant " shall have the meaning set forth in Section 9.6(d).

" Patriot Act " shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended, modified, succeeded or replaced from time to time.

" Payment Event of Default " shall mean an Event of Default specified in Section 7.1(a).

" PBGC " shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, as amended, modified, succeeded or replaced from time to time.

" Pension Act " shall mean the Pension Protection Act of 2006, as amended, modified, succeeded or replaced from time to time.

" Permitted Liens " shall have the meaning set forth in Section 6.1.

" Person " shall mean any natural person, corporation, limited liability company, trust, business trust, joint stock company, joint venture, association, company, partnership, Governmental Authority or other entity.

" Plan " shall mean, any employee benefit plan as defined in Section 3(3) of ERISA and in respect of which any Credit Party or any Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

" Prepayment Fee " shall mean an amount equal to the product of the following (a) the amount of aggregate Loan principal amount *multiplied by* (b) (i) 1.5%, regarding any prepayment from the Closing Date to and including, without limitation, the six-month anniversary of the Closing Date, (ii) 1.00%, regarding any prepayment from the day immediately following the six-month anniversary of the Closing Date to and including, without limitation, the twelve-month anniversary of the Closing Date, (iii) 0.5%, regarding any prepayment from the day immediately following the twelve-month anniversary of the Closing Date to and including, without limitation, the eighteen-month anniversary of the Closing Date, and (iv) zero, regarding any prepayment from the day immediately following the eighteen-month anniversary of the Closing Date and thereafter.

" Prime Rate " shall have the meaning set forth in the definition of Alternate Base Rate.

" Private Information " shall have the meaning set forth in Section 5.13(a).

" Pro Forma Basis " shall mean, with respect to any transaction, that such transaction shall be deemed to have occurred as of the first day of the four-quarter period (or twelve month period, as applicable) ending as of the most recent quarter end (or month end, as applicable) preceding the date of such transaction.

" Proceeds " shall mean any award, compensation or proceeds (including, without limitation, insurance proceeds) in respect of any Casualty or Condemnation regarding any Mortgaged Property and, when any such amount is to be paid by any Credit Party to the Administrative Agent or the Lenders, such amount shall include, without limitation, any and all applicable insurance deductibles and self-insurance retentions.

" Prohibited Transaction " shall have the meaning assigned to such term in Section 4975(c) of the Code.

" Properties " shall have the meaning set forth in Section 3.18(a).

" Property Condition Report " shall have the meaning set forth in Section 4.1(d)(xiii).

" Property Reports " shall mean, collectively, each Appraisal, Environmental Report, Property Condition Report, Survey and Zoning Report.

" Public Information " shall have the meaning set forth in Section 5.13(a).

" REA " shall mean any construction, operation and reciprocal easement agreement, common area maintenance agreement or similar agreement (including, without limitation, any separate agreement or other agreement between a Credit Party and one or more other parties to a REA with respect to such REA) affecting any Mortgaged Property or portion thereof.

" Register " shall have the meaning set forth in Section 9.6(c).

" Regulation U " shall mean Regulation U of the Board, as amended, modified, succeeded or replaced from time to time.

" Related Parties " shall mean, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

" Reorganization " shall mean, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of such term as used in Section 4241 of ERISA.

" Reportable Event " shall mean any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty-day notice period is waived.

" Required Lenders " shall mean, as of any date of determination, Lenders holding at least 66 $^{2}/_{3}$% of the outstanding principal amount of the Loan; provided , if there are only two (2) Lenders, then "Required Lenders" shall mean both Lenders.

" Requirement of Law " shall mean, as to any Person, (a) the articles or certificate of incorporation, by-laws or other organizational or governing documents of such Person, and (b) all international, foreign, federal, state and local laws, statutes, treaties, rules, guidelines, regulations, ordinances, codes, executive orders, and administrative or judicial precedents or authorities, including, without limitation, the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority (in each case whether or not having the force of law); in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" Responsible Officer " shall mean, for any Credit Party, the chairman of the board, chief executive officer, president, chief operating officer, chief financial officer, treasurer, executive vice president of strategic planning, general counsel, corporate secretary, the vice president and associate general counsel, and vice president of finance.

" Restoration " shall have the meaning set forth in Section 5.19(h).

" S&P " shall mean Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

" Sanctioned Entity " shall mean (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its

government, or (d) a Person or natural person resident in or determined to be resident in a country, that is subject to a country sanctions program administered and enforced by OFAC.

" Sanctioned Person " shall mean a Person named on the list of Specially Designated Nationals maintained by OFAC.

" Sarbanes-Oxley " shall mean the Sarbanes-Oxley Act of 2002, as amended, modified, succeeded or replaced from time to time.

" SEC " shall mean the Securities and Exchange Commission or any successor Governmental Authority.

" Secured Hedging Agreement " shall mean any Hedging Agreement between a Credit Party or a Subsidiary thereof and a Hedging Agreement Provider.

" Secured Parties " shall mean the Administrative Agent, the Lenders and the Hedging Agreement Providers.

" Securities Act " shall mean the Securities Act of 1933, together with any amendment thereto or replacement thereof and any rules or regulations promulgated thereunder.

" Security Documents " shall mean each Mortgage Instrument and all other agreements, documents and instruments relating to, arising out of, or in any way connected with any of the foregoing documents or granting to the Administrative Agent, for the benefit of the Secured Parties, Liens or security interests in the real and personal property of the Borrower to secure, inter alia, the Credit Party Obligations whether now or hereafter executed and/or filed, each as may be amended, modified, extended, restated, replaced, or supplemented from time to time in accordance with the terms hereof, including, without limitation, UCC financing statements.

" Single Employer Plan " shall mean any Plan (other than a Multiemployer Plan), which is subject to the provisions of Section 302 or Title IV of ERISA or Sections 412 and 430 of the Code.

" STAP " shall mean the United Therapeutics Corporation Share Tracking Awards Plan, as amended, modified, extended, restated, replaced, or supplemented from time to time, and including any similar plan or plans that may be adopted by the Borrower in the future for purposes of granting awards similar to those granted under the STAP. STAP awards convey the right to receive in cash an amount equal to the appreciation of the Borrower's common stock, which is calculated as the positive difference between the closing price of the Borrower's common stock on the date of exercise and the date of grant. STAP awards require cash settlement upon exercise, and as such are classified as "other current liabilities" on the Borrower's consolidated balance sheets, which have been prepared in accordance with GAAP as further described in the Borrower's notes to its consolidated financial statements. The fair value of the outstanding STAP awards is re-measured at each financial reporting date using the Black-Scholes-Merton valuation model. Related changes in the fair value of outstanding cash settled awards at each reporting date are recognized as share-based compensation expense. Cash used to settle STAP exercises may be materially different than the STAP expense in any financial reporting period.

" STAP Liability " shall mean the fair value liability for vested STAP awards as determined at each financial reporting date using the Black-Scholes-Merton valuation model in accordance with GAAP and as further described in the Borrower's Notes to Consolidated Financial Statements.

" Subordinated Debt " shall mean any Indebtedness incurred by any Credit Party which by its terms is specifically subordinated in right of payment to the prior payment of the Credit Party Obligations and contains subordination and other terms acceptable to the Administrative Agent.

" Subsidiary " shall mean, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, limited liability company, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

" Survey " shall have the meaning set forth in Section 4.1(d)(iv).

" Synthetic Lease Obligation " shall mean the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

" Taxes " shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including, without limitation, any interest, additions to tax or penalties applicable thereto.

" Title Insurance Company " shall have the meaning set forth in the definition of " Mortgage Policy ".

" Trading with the Enemy Act " shall have the meaning set forth in Section 3.20.

" Tranche " shall mean the collective reference to (a) LIBOR Rate Loans whose Interest Periods begin and end on the same day and (b) Alternate Base Rate Loans made on the same day.

" Transactions " shall mean the closing of this Agreement and the other Credit Documents (including, without limitation, the initial borrowings under the Credit Documents and the payment of fees and expenses in connection with all of the foregoing).

" Type " shall mean, as to any Loan, its nature as an Alternate Base Rate Loan or LIBOR Rate Loan, as the case may be.

" UCC " shall mean the Uniform Commercial Code from time to time in effect in any applicable jurisdiction.

" Wells Fargo " shall mean Wells Fargo Bank, National Association, a national banking association, together with its successors and assigns.

" WFS " shall mean Wells Fargo Securities, LLC, a Delaware limited liability company, together with its successors and assigns.

" Zoning Report " shall have the meaning set forth in Section 4.1(d)(vii).

Section 1.2 Other Definitional Provisions .

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including, without limitation," shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, extended, restated, replaced, supplemented, amended and restated or otherwise modified (subject to any restrictions on such amendments, extensions, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including, without limitation, cash, securities, accounts and contract rights and (g) all terms defined in this Agreement shall have the defined meanings when used in any other Credit Document or any certificate or other document made or delivered pursuant hereto.

Section 1.3 Accounting Terms .

(a) Generally . All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including, without limitation, financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the most recently delivered audited Consolidated financial statements of the Borrower, except as otherwise specifically prescribed herein.

(b) Changes in GAAP . If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that , until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Financial Covenant Calculations . The parties hereto acknowledge and agree that, for purposes of all calculations made in determining compliance for any applicable period with the financial covenants set forth in Section 5.11, after any Asset Disposition permitted by Section 6.2, (A) income statement items, cash flow statement items and balance sheet items (whether positive or negative) attributable to the property or assets disposed of shall be excluded in such calculations to the extent relating to such applicable period, subject to adjustments

mutually acceptable to the Borrower and the Administrative Agent and (B) Indebtedness that is repaid with the proceeds of such Asset Disposition shall be excluded from such calculations and deemed to have been repaid as of the first day of such applicable period.

Section 1.4 Time References .

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.5 Execution of Documents .

Unless otherwise specified, all Credit Documents and all certificates executed in connection therewith must be signed by a Responsible Officer.

ARTICLE II

THE LOAN; AMOUNT AND TERMS

Section 2.1 Loan .

(a) Amount of Loan . Subject to the terms and conditions hereof and in reliance upon the representations and warranties set forth herein, each Lender severally, but not jointly, agrees to make available to the Borrower (through the Administrative Agent) on the Closing Date such Lender's Loan Commitment Percentage of a Loan in Dollars (the " Loan ") in the aggregate principal amount of SEVENTY MILLION DOLLARS ($70,000,000) (the " Loan Committed Amount ") for the purposes hereinafter set forth (such facility, the " Loan Facility "). The Borrower shall request the Loan by submitting a Notice of Borrowing, in substantially the form of Exhibit 1.1(e) , to the Administrative Agent no less than three (3) Business Days prior to the date requested for borrowing of the Loan, which borrowing date shall be a Business Day. Upon receipt by the Administrative Agent of the proceeds of the Loan, such proceeds will then be made available to the Borrower by the Administrative Agent by crediting the account of the Borrower on the books of the Administrative Agent with the aggregate of such proceeds made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent (or by crediting such other account(s) as directed by the Borrower). The Loan may consist of Alternate Base Rate Loans or LIBOR Rate Loans, as the Borrower may request in a writing delivered to the Administrative Agent; provided , however , that the Loan made on the Closing Date or any of the three (3) Business Days following the Closing Date may only consist of Alternate Base Rate Loans, unless otherwise agreed by the Administrative Agent and the Lenders, as such agreement shall be evidenced by the Administrative Agent's acceptance of a funding indemnity letter in connection therewith. LIBOR Rate Loans shall be made by each Lender at its LIBOR Lending Office and Alternate Base Rate Loans at its Domestic Lending Office. Amounts repaid or prepaid on the Loan may not be reborrowed.

(b) Repayment of Loan . The principal amount of the Loan shall be repaid in accordance with Schedule 2.1 . On the Maturity Date, the remaining principal balance of the Loan and all accrued but unpaid interest and all other amounts payable with respect to the Loan shall be repaid in full.

(c) Interest on the Loan . Subject to the provisions of Section 2.4, the Loan shall bear interest as follows:

(i) Alternate Base Rate Loans . During such periods as the Loan shall be comprised of Alternate Base Rate Loans, each such Alternate Base Rate Loan shall bear interest at a per annum rate equal to the sum of the Alternate Base Rate plus the Applicable Percentage; and

(ii) LIBOR Rate Loans . During such periods as the Loan shall be comprised of LIBOR Rate Loans, each such LIBOR Rate Loan shall bear interest at a per annum rate equal to the sum of the LIBOR Rate plus the Applicable Percentage.

Interest on the Loan shall be payable in arrears on each Interest Payment Date.

(d) Notes; Covenant to Pay . The Borrower's obligation to pay each Lender shall be evidenced by this Agreement and, upon such Lender's request, by a duly executed promissory note of the Borrower to such Lender in substantially the form of Exhibit 2.1 (d) . The Borrower covenants and agrees to pay the Loan in accordance with the terms of this Agreement.

Section 2.2 Fees .

The Borrower agrees to pay to (i) the Administrative Agent (for its own account) the annual Administrative Fee (as such term is defined in the Engagement Letter) and (ii) the Administrative Agent (for the account of WFS) the Structuring Fee (as such term is defined in the Engagement Letter).

Section 2.3 Prepayments .

(a) Optional Prepayments . The Borrower shall have the right to prepay the Loan in whole but not in part at any time after the Closing Date, in each case on an Interest Payment Date; provided , prepayment shall also require payment of (i) all accrued, but unpaid, interest on the Loan, (ii) the applicable Prepayment Fee and (iii) all other fees, costs, expenses or other amounts then due and owing or accrued, but unpaid, pursuant to the Credit Documents. The Borrower shall give irrevocable notice of prepayment of the Loan to the Administrative Agent not later than 11:00 a.m. (New York, New York time) three (3) Business Days prior to the date of such prepayment (and the Administrative Agent shall notify the Lenders thereof as soon as practicable). To the extent that the Borrower elects to prepay the Loan, amounts prepaid under this Section shall be (i) applied in accordance with Section 2.7(a) (if no Event of Default has occurred and is continuing) or in accordance with Section 2.7(b) (if an Event of Default has occurred and is continuing) and (ii) applied to the Loan of the Lenders in accordance with their respective Loan Commitment Percentages. All prepayments under this Section shall be subject to Section 2.11 and shall otherwise require the payment of all amounts referenced in the first sentence of this Section 2.3(a).

(b) Mandatory Prepayments .

(i) Mortgaged Property Disposition . Promptly following any Mortgaged Property Disposition, the Borrower shall prepay the Loan in an aggregate amount equal to one hundred percent (100%) of (A) the outstanding principal balance of the Allocated Loan Amount applicable to the Mortgaged Property being disposed of, (B) the accrued, unpaid interest on that portion of the Loan applicable to the Mortgaged Property being disposed of, (C) the applicable Prepayment Fee pro rated with respect to the Mortgage

Property being disposed of, and (D) any and all other accrued, unpaid amounts under any of the Credit Documents with respect to the Loan applicable to the Mortgaged Property being disposed of. After such Mortgaged Property Disposition, the Loan shall continue as to the other Mortgaged Property and the balance of the Loan. Such prepayment shall be made on the Interest Payment Date next following the Mortgaged Property Disposition. The Borrower shall give irrevocable notice of prepayment of the Loan to the Administrative Agent not later than 11:00 a.m. (New York, New York time) three (3) Business Days prior to the date of such prepayment (and the Administrative Agent shall notify the Lenders thereof as soon as practicable).

(ii) Application of Mandatory Prepayments . All amounts required to be paid pursuant to this Section 2.3 (b) shall be applied in accordance with Section 2.7(b). All prepayments under this Section shall be subject to Section 2.11 and be accompanied by interest on the principal amount prepaid through the date of prepayment.

(c) Hedging Obligations Unaffected . Any repayment or prepayment made pursuant to this Section shall not affect the Borrower's obligation to continue to make payments under any Secured Hedging Agreement, which shall remain in full force and effect notwithstanding such repayment or prepayment, subject to the terms of such Secured Hedging Agreement.

Section 2.4 Default Rate and Payment Dates .

(a) If all or a portion of the principal amount of the Loan which is a LIBOR Rate Loan shall not be paid when due or continued as a LIBOR Rate Loan in accordance with the provisions of Section 2.5 (whether at the stated maturity, by acceleration or otherwise), such overdue principal amount of the Loan shall be converted to an Alternate Base Rate Loan at the end of the Interest Period applicable thereto.

(b) Upon the occurrence of an Event of Default, the principal of and, to the extent permitted by law, interest on the Loan and any other amounts owing hereunder or under the other Credit Documents shall automatically bear interest, payable on demand, at a per annum rate which is equal to the Default Rate. Regarding any LIBOR Rate Loan in effect upon the occurrence of an Event of Default, such LIBOR Rate Loan shall automatically (without the need for further action) be converted to an Alternate Base Rate Loan at the end of the Interest Period for such LIBOR Rate Loan.

(c) Interest on the Loan shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (b) of this Section shall be payable from time to time on demand.

Section 2.5 Conversion/Continuation Options .

(a) The Borrower may elect from time to time for the Loan to be either an Alternate Base Rate Loan in its entirety or a LIBOR Rate Loan in its entirety; provided , the Loan shall not at any time be apportioned as part Alternate Base Rate Loan and part LIBOR Rate Loan. The Borrower may elect from time to time to convert the entire Loan from an Alternate Base Rate Loan to a LIBOR Rate Loan by delivering a Notice of Conversion/Extension to the Administrative Agent at least three (3) Business Days prior to the proposed date of conversion. In addition, the Borrower may elect from time to time to convert the entire Loan from a LIBOR Rate Loan to an Alternate Base Rate Loan by giving the Administrative Agent irrevocable written notice thereof by 11:00 a.m. (New York, New York time) one (1) Business Day prior to the

proposed date of conversion. If the date upon which an Alternate Base Rate Loan is to be converted to a LIBOR Rate Loan is not a Business Day, then such conversion shall be made on the next succeeding Business Day and during the period from such initially intended conversion date to such succeeding Business Day the Loan shall bear interest as if it were an Alternate Base Rate Loan. LIBOR Rate Loans may only be converted to Alternate Base Rate Loans on the last day of the applicable Interest Period. If the date upon which a LIBOR Rate Loan is to be converted to an Alternate Base Rate Loan is not a Business Day, then such conversion shall be made on the next succeeding Business Day and during the period from such last day of an Interest Period to such succeeding Business Day the Loan shall bear interest as if it were an Alternate Base Rate Loan. The entire Loan when such is in the form of an Alternate Base Rate Loan may be converted as provided herein; provided that the Loan may not be converted into a LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing. The entire Loan when such is in the form of a LIBOR Rate Loan may be converted as provided herein.

(b) Any LIBOR Rate Loan may be continued as such upon the expiration of an Interest Period with respect thereto by compliance by the Borrower with the notice provisions (regarding conversions of Alternate Base Rate Loans to LIBOR Rate Loans) contained in Section 2.5(a); provided , that no LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing, in which case such LIBOR Rate Loan shall be automatically converted to an Alternate Base Rate Loan at the end of the applicable Interest Period with respect thereto. If the Borrower shall fail to give timely notice of an election to continue a LIBOR Rate Loan, or the continuation of LIBOR Rate Loans is not permitted hereunder, such LIBOR Rate Loan shall be automatically converted to an Alternate Base Rate Loan at the end of the applicable Interest Period with respect thereto.

Section 2.6 Computation of Interest and Fees; Usury .

(a) Interest payable hereunder with respect to any Alternate Base Rate Loan based on the Prime Rate shall be calculated on the basis of a year of 365 days (or 366 days, as applicable) for the actual days elapsed. All other fees, interest and all other amounts payable hereunder shall be calculated on the basis of a 360-day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of each determination of a LIBOR Rate on the Business Day of the determination thereof. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate shall become effective as of the opening of business on the day on which such change in the Alternate Base Rate shall become effective. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders of the effective date and the amount of each such change.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the computations used by the Administrative Agent in determining any interest rate.

(c) It is the intent of the Lenders and the Credit Parties to conform to and contract in strict compliance with applicable usury law from time to time in effect. All agreements between the Lenders and the Credit Parties are hereby limited by the provisions of this subsection which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no way, nor in any event or contingency (including, without limitation, but not limited to, prepayment or acceleration of the maturity of any Credit Party Obligation), shall the interest taken, reserved, contracted for, charged, or received under this

Agreement, under the Notes or otherwise, exceed the maximum nonusurious amount permissible under applicable law. If, from any possible construction of any of the Credit Documents or any other document, interest would otherwise be payable in excess of the maximum nonusurious amount, any such construction shall be subject to the provisions of this paragraph and such interest shall be automatically reduced to the maximum nonusurious amount permitted under applicable law, without the necessity of execution of any amendment or new document. If any Lender shall ever receive anything of value which is characterized as interest on the Loan under applicable law and which would, apart from this provision, be in excess of the maximum nonusurious amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Loan and not to the payment of interest, or refunded to the Borrower or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal amount of the Loan. The right to demand payment of the Loan or any other Indebtedness evidenced by any of the Credit Documents does not include the right to receive any interest which has not otherwise accrued on the date of such demand, and the Lenders do not intend to charge or receive any unearned interest in the event of such demand. All interest paid or agreed to be paid to the Lenders with respect to the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term (including, without limitation, any renewal or extension) of the Loan so that the amount of interest on account of such Indebtedness does not exceed the maximum nonusurious amount permitted by applicable law.

Section 2.7 Pro Rata Treatment and Payments .

(a) Allocation of Payments Prior to Occurrence of Event of Default . If no Event of Default has occurred and is continuing, each payment under any of the Credit Documents or in respect of the Collateral, including, without limitation, any optional prepayment of the Loan pursuant to Section 2.3(a) but excluding any mandatory prepayment of the Loan pursuant to Section 2.3(b), shall be applied as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees) of the Administrative Agent under the Credit Documents and any protective advances made by the Administrative Agent with respect to the Collateral under or pursuant to the terms of the Security Documents;

SECOND, to the payment of any fees owed to the Administrative Agent pursuant to the Credit Documents;

THIRD, to the payment of all of the Credit Party Obligations consisting of accrued fees and interest, and including, without limitation, with respect to any Secured Hedging Agreement, any fees, premiums and scheduled periodic payments due under such Secured Hedging Agreement and any interest accrued thereon;

FOURTH, to the payment of the outstanding principal amount of the Credit Party Obligations, and including, without limitation, with respect to any Secured Hedging Agreement, any breakage, termination or other payments due under such Secured Hedging Agreement and any interest accrued thereon;

FIFTH, to all other Credit Party Obligations and other obligations which shall have become due and payable under the Credit Documents or otherwise and not repaid pursuant to clauses "FIRST" through "FOURTH" above; and

SIXTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (a) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category and (b) each of the Lenders and any Hedging Agreement Provider shall receive an amount equal to its pro rata share (based on the proportion that the then outstanding portion of the Loan held by such Lender or the outstanding obligations payable to such Hedging Agreement Provider bears to the aggregate then outstanding Loan and obligations payable under all Secured Hedging Agreements) of amounts available to be applied pursuant to clauses "THIRD", "FOURTH" and "FIFTH" above. Prepayment under Section 2.3(a) shall be applied first to Alternate Base Rate Loans on a ratable basis and then to LIBOR Rate Loans (if any) in inverse order of Interest Period maturities.

Each mandatory prepayment of the Loan shall be applied to the Loan on a pro rata basis in accordance with Section 2.7(b).

(b) Allocation of Proceeds from Mandatory Prepayments or Payments After Occurrence of Event of Default . Proceeds from any mandatory prepayment of the Loan under Section 2.3(b) and proceeds arising after the occurrence and during the continuation of any Event of Default, all amounts collected or received by the Administrative Agent or any Lender on account of the Credit Party Obligations or any other amounts outstanding under any of the Credit Documents or in respect of the Collateral shall be paid over or delivered as follows (irrespective of whether the following costs, expenses, fees, interest, premiums, scheduled periodic payments or Credit Party Obligations are allowed, permitted or recognized as a claim in any proceeding resulting from the occurrence of a Bankruptcy Event):

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees) of the Administrative Agent in connection with enforcing the rights of the Lenders under the Credit Documents and any protective advances made by the Administrative Agent with respect to the Collateral under or pursuant to the terms of the Security Documents;

SECOND, to the payment of any fees owed to the Administrative Agent pursuant to the Credit Documents;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees) of each of the Lenders in connection with enforcing its rights under the Credit Documents or otherwise with respect to the Credit Party Obligations owing to such Lender;

FOURTH, to the payment of all of the Credit Party Obligations consisting of accrued fees and interest, and including, without limitation, with respect to any Secured Hedging Agreement, any fees, premiums and scheduled periodic payments due under such Secured Hedging Agreement and any interest accrued thereon;

FIFTH, to the payment of the outstanding principal amount of the Credit Party Obligations, and including, without limitation, with respect to any Secured Hedging Agreement, any breakage, termination or other payments due under such Secured Hedging Agreement and any interest accrued thereon;

SIXTH, to all other Credit Party Obligations and other obligations which shall have become due and payable under the Credit Documents or otherwise and not repaid pursuant to clauses "FIRST" through "FIFTH" above; and

SEVENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (a) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category and (b) each of the Lenders and any Hedging Agreement Provider shall receive an amount equal to its pro rata share (based on the proportion that the then outstanding portion of the Loan held by such Lender or the outstanding obligations payable to such Hedging Agreement Provider bears to the aggregate then outstanding Loan and obligations payable under all Secured Hedging Agreements) of amounts available to be applied pursuant to clauses "THIRD", "FOURTH", "FIFTH" and "SIXTH" above. Prepayment under Section 2.3(b) shall be applied first to Alternate Base Rate Loans on a ratable basis and then to LIBOR Rate Loans (if any) in inverse order of Interest Period maturities.

(c) Payments - General Terms . All payments (including, without limitation, prepayments) to be made by the Borrower on account of principal, interest and fees shall be made without defense, set-off or counterclaim and shall be made to the Administrative Agent for the account of the Lenders at the Administrative Agent's office specified in Section 9.2 in Dollars and in immediately available funds not later than 1:00 p.m. (New York, New York time) on the date when due. The Administrative Agent shall distribute such payments to the Lenders entitled thereto promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the LIBOR Rate Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a LIBOR Rate Loan becomes due and payable on a day other than a Business Day, such payment date shall be extended to the next succeeding Business Day (and with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension) unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day.

Section 2.8 **Non-Receipt of Funds by the Administrative Agent .**

(a) Funding by Lenders; Presumption by the Administrative Agent . Unless the Administrative Agent shall have received written notice from a Lender prior to the proposed date of any Extension of Credit that such Lender will not make available to the Administrative Agent such Lender's share of such Extension of Credit, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with this Agreement and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Extension of Credit available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including, without limitation, the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the

Borrower, the interest rate applicable to Alternate Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Extension of Credit to the Administrative Agent, then the amount so paid shall constitute such Lender's portion of the Loan included in such Extension of Credit. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(b) Payments by Borrower; Presumptions by the Administrative Agent . Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including, without limitation, the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under subsections (a) and (b) of this Section shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent . If any Lender makes available to the Administrative Agent funds for any portion of the Loan to be made by such Lender as provided in this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Extension of Credit set forth in Article IV are not satisfied or waived in accordance with the terms thereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several . The obligations of the Lenders hereunder to make the Loan and to make payments pursuant to Section 9.5(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any such payment under Section 9.5(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.5(c).

(e) Funding Source . Nothing herein shall be deemed to obligate any Lender to obtain the funds for any portion of the Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any portion of the Loan in any particular place or manner.

Section 2.9 Inability to Determine Interest Rate .

Notwithstanding any other provision of this Agreement, if (a) the Administrative Agent shall reasonably determine (which determination shall be conclusive and binding absent manifest error) that, by reason of circumstances affecting the relevant market, reasonable and adequate means do not exist for

ascertaining the LIBOR Rate for such Interest Period, or (b) the Required Lenders shall reasonably determine (which determination shall be conclusive and binding absent manifest error) that the LIBOR Rate does not adequately and fairly reflect the cost to such Lenders of funding LIBOR Rate Loans that the Borrower has requested be outstanding as a LIBOR Tranche during such Interest Period, the Administrative Agent shall forthwith give telephone notice of such determination, confirmed in writing, to the Borrower, and the Lenders at least two (2) Business Days prior to the first day of such Interest Period. Unless the Borrower shall have notified the Administrative Agent upon receipt of such telephone notice that it wishes to rescind or modify its request regarding such LIBOR Rate Loan, any portion of the Loan that was requested to be made as a LIBOR Rate Loan shall be made as an Alternate Base Rate Loan and any portion of the Loan that was requested to be converted into or continued as a LIBOR Rate Loan shall remain as or be converted into an Alternate Base Rate Loan. Until any such notice has been withdrawn by the Administrative Agent, no further portion of the Loan shall be made as, continued as, or converted into, a LIBOR Rate Loan for the Interest Periods so affected.

Section 2.10 Yield Protection .

(a) Increased Costs Generally . If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBOR Rate);

(ii) subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any LIBOR Rate Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.12 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBOR Rate Loan (or of maintaining its obligation to make any such LIBOR Rate Loan), or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered, as a consequence of any of the Credit Documents or any Loan made by such Lender.

(b) Capital Requirements . If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, or the Loan made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement . A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests . Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation.

Section 2.11 Indemnity; Eurocurrency Liabilities .

(a) The Borrower hereby agrees to indemnify each Lender and to hold such Lender harmless from any funding loss or expense which such Lender may sustain or incur as a consequence of (i) the failure by the Borrower to pay the principal amount of or interest on any Loan by such Lender in accordance with the terms hereof, (ii) the failure by the Borrower to accept a borrowing after the Borrower has given a notice in accordance with the terms hereof, (iii) default by the Borrower in making any prepayment after the Borrower has given a notice in accordance with the terms hereof, and/or (iv) the making by the Borrower of a prepayment of the Loan or any portion thereof, or the conversion thereof, on a day which is not the last day of the Interest Period with respect thereto, in each case including, without limitation, any such loss or expense arising from interest or fees payable by such Lender to lenders of funds obtained by it in order to maintain its portion of the Loan hereunder. A certificate setting forth in reasonable detail as to any additional amounts payable pursuant to this Section submitted by any Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. The agreements in this Section shall survive termination of this Agreement and payment of the Credit Party Obligations.

(b) The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves under Regulation D with respect to "Eurocurrency liabilities" within the meaning of Regulation D, or under any similar or successor regulation with respect to Eurocurrency liabilities or Eurocurrency funding, additional interest on the unpaid principal amount of each LIBOR Loan equal to the actual costs of such reserves allocated to such LIBOR Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such LIBOR Loan, provided the Borrower shall have received at least fifteen (15) days prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice fifteen (15) days prior to the relevant interest payment date, such additional interest shall be due and payable fifteen (15) days from receipt of such notice.

Section 2.12 Taxes .

(a) Payments Free of Taxes . Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Credit Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including, without limitation, any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including, without limitation, deductions applicable to additional sums payable under this Section) the Administrative Agent or any Lender, as the case may be, receives an amount equal to the sum it

would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower . Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower . The Borrower shall indemnify the Administrative Agent and each Lender, within fifteen (15) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including, without limitation, Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments . As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders . Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(f) Foreign Lenders . Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (i) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (ii) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(g) Treatment of Certain Refunds . If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

Section 2.13 Illegality .

Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for such Lender or its LIBOR Lending Office to make or maintain LIBOR Rate Loans as contemplated by this Agreement or to obtain in the interbank eurodollar market through its LIBOR Lending Office the funds with which to make such LIBOR Rate Loans, (a) such Lender shall promptly notify the Administrative Agent and the Borrower thereof, (b) the commitment of such Lender hereunder to make LIBOR Rate Loans or continue LIBOR Rate Loans as such shall forthwith be suspended until the Administrative Agent shall give notice that the condition or situation which gave rise to the suspension shall no longer exist, and (c) such Lender's portion of the Loan then outstanding as LIBOR Rate Loans, if any, shall be converted on the last day of the Interest Period for such LIBOR Rate Loans or within such earlier period as required by law into Alternate Base Rate Loans. The Borrower hereby agrees to promptly pay any Lender, upon its demand, any additional amounts necessary to compensate such Lender for actual and direct costs (but not including, without limitation, anticipated profits) reasonably incurred by such Lender in making any repayment in accordance with this Section including, without limitation, any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder. A certificate (which certificate shall include a description of the basis for the computation) as to any additional amounts payable pursuant to this Section submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive in the absence of manifest error. Each Lender agrees to use reasonable efforts (including, without limitation, reasonable efforts to change its LIBOR Lending Office) to avoid or to minimize any amounts which may otherwise be payable

pursuant to this Section; provided , however , that such efforts shall not cause the imposition on such Lender of any additional costs or legal or regulatory burdens deemed by such Lender in its sole discretion to be material.

Section 2.14 No New Extension of Credit After Closing Date .

After the initial Extension of Credit on the Closing Date, the Lenders shall have no obligation to provide any additional advance pursuant to this Agreement; provided , notwithstanding the foregoing, there shall be additional Extensions of Credit after the Closing Date in the form of conversions and continuations of the Loan pursuant to Section 2.5.

Section 2.15 Hedging Agreement Not Required .

The parties to this Agreement hereby agree that no Credit Party shall have any obligation pursuant to any Credit Document to enter into any Hedging Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Agreement and to make the Extensions of Credit herein provided for, the Borrower, on behalf of each of the Credit Parties, hereby represents and warrants as of the Closing Date to the Administrative Agent and to each Lender that:

Section 3.1 Financial Statements .

The audited Consolidated balance sheets of the Borrower as of December 31, 2009, and the related Consolidated statements of income and retained earnings and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Ernst & Young LLP, present fairly the Consolidated financial condition of the Borrower as at each such date, and the Consolidated results of its operations and its Consolidated retained earnings and cash flows for the respective fiscal years then ended. The unaudited Consolidated balance sheets of the Borrower as at September 30, 2010, and the related unaudited Consolidated statements of income and retained earnings and of cash flows for the portion of the fiscal year ended on each such date, present fairly the Consolidated financial condition of the Borrower as at such date, and the Consolidated results of its operations and its Consolidated retained earnings and cash flows for the portion of the fiscal year then ended (subject to normal year-end audit adjustments). All such financial statements, including, without limitation, the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as disclosed therein). Except as set forth in Schedule 3.1 , as of the Closing Date, no Credit Party nor any of its Subsidiaries has any (a) Consolidated Funded Indebtedness in an amount in excess of $5,000,000, (b) leases with a term of three (3) years or more pursuant to which the fair market value of the leased assets is in excess of $5,000,000 or (c) Material Contracts, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the audited financial statements as at December 31, 2009 referred to in this paragraph. Except as set forth on Schedule 3.1 and except for matters occurring in the ordinary course of business, during the period from December 31, 2009, to and including, without limitation, the date hereof there has been no sale, transfer or other disposition by any Credit Party or any of its Subsidiaries to any Person other than a Credit Party or any of its Subsidiaries of any material part of its business or property.

Section 3.2 No Material Adverse Change .

Since December 31, 2009, there has been no development or event which has had or could reasonably be expected to have a Material Adverse Effect.

Section 3.3 Existence; Compliance with Law .

Each Credit Party and each of its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged, (c) is qualified to do business in each jurisdiction where such qualification is required, except to the extent that the failure to qualify therein could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.4 Power; Authorization; Enforceable Obligations .

Each Credit Party has the power and authority, and the legal right, to make, deliver and perform each Credit Document to which it is a party and, in the case of the Borrower, to borrow hereunder and has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party and, in the case of the Borrower, the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or the other Credit Documents. This Agreement has been, and each other Credit Document to which it is a party will be, duly executed and delivered on behalf of each Credit Party which is a party thereto. This Agreement constitutes, and each other Credit Document to which it is a party when executed and delivered will constitute, a legal, valid and binding obligation of each Credit Party which is a party thereto, enforceable against each such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

Section 3.5 No Legal Bar .

The execution, delivery and performance of the Credit Documents to which any Credit Party is a party, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or Contractual Obligation of the Borrower or of any of its Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of its or their respective properties or revenues pursuant to any such Requirement of Law or Contractual Obligation (other than the Liens created by the Security Documents).

Section 3.6 No Material Litigation .

Except as set forth on Schedule 3.6 , no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Credit Party, threatened in writing by or against any Credit Party or any of its Subsidiaries or against any of its or their respective properties or revenues (a) with respect to any of the Credit Documents or any of the transactions contemplated hereby or thereby, or (b) which could reasonably be expected to have a Material Adverse Effect.

Section 3.7 No Default .

No Credit Party nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

Section 3.8 Ownership of Collateral; Liens .

The Borrower has good title to all of the Collateral, and none of the Collateral is subject to any Lien except Permitted Liens.

Section 3.9 Intellectual Property .

Each Credit Party and each of its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, technology, know-how and processes (the " Intellectual Property ") necessary for the conduct of its business as currently conducted except for those the failure to own or license which could not reasonably be expected to have a Material Adverse Effect. No material claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does any Credit Party or any of its Subsidiaries know of any valid basis for any such claim. The use of such Intellectual Property by the Credit Parties and their Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 3.10 Taxes .

Each Credit Party and each of its Subsidiaries has filed or caused to be filed all federal and state income and other material Tax returns and reports required to be filed and has paid all Taxes shown to be due and payable on said returns and all other material Taxes imposed upon it or any of its property by any Governmental Authority (other than any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be); no material Tax Lien has been filed, and no claim is being asserted, with respect to any such Tax.

Section 3.11 Accuracy of Information .

Neither this Agreement, any other Credit Document or any other document, certificate or written statement furnished by any Credit Party to the Administrative Agent or the Lenders or any of them or to any other Person providing an Appraisal, a Survey, an Environmental Report, a Property Condition Report, a Zoning Report, any other item required pursuant to Section 4.1 of this Agreement or any other due diligence item in connection with the Transactions, in each case, for use in connection with the transactions contemplated by this Agreement or the other Credit Documents (excluding the projections, financial models and business plans referred to in the next succeeding sentence), contained as of the date such written statement, information, document or certificate was so furnished any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not materially misleading. The projections, financial models and business plans that have been or hereafter may be prepared (if any) by any Credit Party or any of its representatives and made available to the Administrative Agent or the Lenders have been or will be prepared in good faith based upon assumptions believed by the management of the Credit Parties to be reasonable, it being recognized that such projections, financial models and business plans, as they relate to future events, are not to be viewed

as fact and that actual results during the period or periods covered thereby may differ materially from the projected results set forth therein. There is no fact known to any Credit Party on the Closing Date that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Credit Documents or in such other documents, certificates and written statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Credit Documents.

Section 3.12 Federal Regulations .

No part of the proceeds of the Loan will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board as now and from time to time hereafter in effect. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in said Regulation U.

Section 3.13 ERISA .

(a) During the five-year period prior to the date on which this representation is made or deemed made, each Plan has complied in all respects with the applicable provisions of ERISA and the Code, except to the extent that the liability which could reasonably be expected to result from noncompliance could not reasonably be expected to have a Material Adverse Effect. Neither any Credit Party nor any Commonly Controlled Entity has any liability with respect to a Single Employer Plan or a Multiemployer Plan.

(b) Neither any Credit Party nor any Commonly Controlled Entity has any liability with respect to a Foreign Plan or Foreign Benefit Arrangement.

Section 3.14 Investment Company Act; Other Regulations .

Neither any Credit Party nor any of its Subsidiaries is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. Neither the Borrower nor any of its Subsidiaries is subject to regulation under any federal or state statute or regulation (other than Regulation X of the Board) which limits its ability to incur Indebtedness.

Section 3.15 Subsidiaries .

Set forth on Schedule 3.15 are the Subsidiaries (direct and indirect) of the Borrower as of the last date such Schedule was required to be updated by Section 5.9.

Section 3.16 Purpose of the Loan .

The proceeds of the Loan shall be used to repay existing Indebtedness of the Borrower and otherwise for general corporate purposes.

Section 3.17 Security Documents .

The Security Documents are effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Collateral described in the Security Documents, when filings

specified on Schedule 3.17 in appropriate form are filed in the offices specified on Schedule 3.17 , the Security Documents shall constitute a fully perfected Lien, to the extent such security interests can be perfected by filings in public filing offices, on, and security interest in, all right, title and interest of the Credit Parties in such Collateral and the proceeds thereof, as security for the Credit Party Obligations, in each case prior and superior in right to any other Person (except, in the case of Collateral, for the existence of Permitted Liens).

Section 3.18 Environmental Matters .

(a) No Credit Party or any Subsidiary, nor to the knowledge of the Credit Parties and their Subsidiaries, any other Person, has except as otherwise disclosed in the Environmental Reports (copies of which have been provided to Administrative Agent and the Lenders), caused the Mortgaged Properties (the " Properties ") to contain any Materials of Environmental Concern in amounts or concentrations which (i) constitute a violation of, or (ii) could give rise to liability on behalf of any such party under, any Environmental Law.

(b) The Properties and all operations of the Credit Parties and their Subsidiaries at the Properties are in compliance and have in the last five years been in compliance with all applicable Environmental Laws except in each case, to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except for that certain notice to the Borrower from the County of Durham, North Carolina dated July 27, 2009 with respect to the daily minimum for pH, neither the Credit Parties nor their Subsidiaries have received any written or actual notice of violation, alleged violation, non-compliance, liability or potential liability with respect to environmental matters or Environmental Laws regarding any of the Properties or the business operated by the Credit Parties (the " Business "), nor do the Credit Parties or their

Subsidiaries have knowledge or reason to believe that any such notice will be received or is being threatened in writing.

(d) No Credit Party or any Subsidiary, nor to the knowledge of the Credit Parties and their Subsidiaries, any other Person, has except as otherwise disclosed in the Environmental Reports (copies of which have been provided to Administrative Agent and the Lenders), transported or disposed of Materials of Environmental Concern from the Properties in violation of, or in a manner or to a location that could give rise to liability on behalf of any Credit Party or any of its Subsidiaries under any Environmental Law, and no Materials of Environmental Concern have been released, generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability on behalf of any Credit Party or any of its Subsidiaries under, any Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Credit Parties and their Subsidiaries, threatened in writing, under any Environmental Law to which any Credit Party or any of its Subsidiaries is or will be named as a party with respect to the Properties or the Business at the Properties, nor to the knowledge of the Credit Parties and their Subsidiaries are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business.

As used in this Section 3.18(e), the knowledge of the Borrower, the Credit Parties and/or the Subsidiaries, is limited to the actual knowledge of Martine A. Rothblatt - Chairman of the Board and Chief Executive Officer; John M. Ferrari - Chief Financial Officer and Treasurer; Paul A. Mahon - Executive Vice President, Strategic Planning, General Counsel and Corporate Secretary; John S. Hess, Jr.

- Vice President and Associate General Counsel; Roger Jeffs - President and Chief Operating Officer; David Zaccardelli - Chief Manufacturing Officer, EVP Pharmaceutical Development; Avi Halpert - Director, Construction and Corporate Real Estate; Melissa Silverman - Vice President of Finance; and Yuri Van Mierlo - Corporate Real Estate Manager.

Section 3.19 Solvency .

After giving effect to the Transactions, (a) each of the Credit Parties is solvent and is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, and (b) the fair saleable value of each Credit Party's assets, measured on a going concern basis, exceeds all probable liabilities, including, without limitation, those to be incurred pursuant to this Agreement. After giving effect to the Transactions, none of the Credit Parties (i) has unreasonably small capital in relation to the business in which it is or proposes to be engaged or (ii) has incurred, or believes that it will incur debts beyond its ability to pay such debts as they become due. In executing the Credit Documents and consummating the Transactions, none of the Credit Parties intends to hinder, delay or defraud either present or future creditors or other Persons to which one or more of the Credit Parties is or will become indebted.

Section 3.20 Anti-Terrorism Laws.

Neither any Credit Party nor any of its Subsidiaries is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States (50 U.S.C. App. §§ 1 *et seq* .) (the " Trading with the Enemy Act "), as amended. Neither any Credit Party nor any of its Subsidiaries is in violation of (a) the Trading with the Enemy Act, as amended, (b) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (c) the Patriot Act. None of the Credit Parties (i) is a blocked person described in Section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions, or is otherwise associated, with any such blocked person.

Set forth on Schedule 3.20 as of the Closing Date, and as of the last date such Schedule was required to be updated in accordance with Section 5.2, is the following information for each Credit Party: the exact legal name and any legal names of such Credit Party in the four (4) months prior to the Closing Date, the state of incorporation or organization, the type of organization, the jurisdictions in which such Credit Party is qualified to do business, the chief executive office, the principal place of business, the business phone number, the organization identification number, the federal tax identification number and ownership information (e.g. publicly held, if private or partnership, the owners and partners of each of the Credit Parties).

Section 3.21 Compliance with OFAC Rules and Regulations .

(a) None of the Credit Parties or any of its Subsidiaries or their respective Affiliates is in violation of and shall not violate any of the country or list based economic and trade sanctions administered and enforced by OFAC that are described or referenced at http://www.ustreas.gov/offices/enforcement/ofac/ or as otherwise published from time to time.

(b) None of the Credit Parties or any of its Subsidiaries or their respective Affiliates (i) is a Sanctioned Person or a Sanctioned Entity, (ii) has a more than 10% of its assets located in Sanctioned Entities, or (iii) derives more than 10% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of the Loan will be

used nor have any been used to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Entity.

Section 3.22 Compliance with FCPA .

Each of the Credit Parties and its Subsidiaries is in compliance with the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.* , and any foreign counterpart thereto. None of the Credit Parties or their Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, and (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to such Credit Party or its Subsidiary or to any other Person, in violation of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.*

Section 3.23 Mortgaged Properties .

(a) Compliance with Laws . Each Credit Party, each Mortgaged Property and the use of each Mortgaged Property comply in all material respects with all applicable Requirements of Law (including, without limitation, with respect to the American Disabilities Act, parking and applicable zoning and land use laws, regulations and ordinances). If all or any part of the Improvements at any Mortgaged Property is destroyed or damaged, said Improvements can be legally reconstructed (whether as a legal non-conforming use or otherwise) to substantially the same condition prior to such damage or destruction (except in the case of an approved legal non-conforming Mortgaged Property), and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits, unless a change in any applicable Requirement of Law provides otherwise. No legal proceedings are pending or, to the knowledge of any Credit Party, threatened in writing with respect to zoning violations of any Mortgaged Property. Neither the zoning nor any other right to construct, use or operate any Mortgaged Property is in any way dependent upon or related to any property other than any Mortgaged Property, except that the Maryland Mortgaged Property is located in a parking lot district and therefore no parking for the Maryland Mortgaged Property is required to be on-site but is instead supported by public garages and public transportation, and the land use and zoning approvals associated with the Maryland Mortgaged Property have been issued with respect to the Maryland Mortgaged Property and the property located at 1110 Spring Street, Silver Spring, Maryland 20910, owned in fee simple by the Borrower and generally referred to by the Borrower as the "Phase IIB property". All certifications, permits, licenses and approvals, including, without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of any Mortgaged Property that are material have been obtained and are in full force and effect. The use being made of any Mortgaged Property is in conformity with the certificate of occupancy issued for any Mortgaged Property and all other material restrictions, covenants and conditions affecting any Mortgaged Property. Any Mortgaged Property is duly licensed to operate in the manner currently operated, as required under any applicable Requirements of Law.

(b) Leases . No Mortgaged Property is subject to any lease or sublease, including, without limitation, any ground lease.

(c) Utilities and Public Access; Parking . (i) Each Mortgaged Property has adequate rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the applicable Mortgaged Property for its intended uses, (ii) all

public utilities necessary to the full use and enjoyment of each Mortgaged Property as currently used and enjoyed are located either in the public right-of-way abutting the applicable Mortgaged Property (which are connected so as to serve the applicable Mortgaged Property without passing over other property) or in recorded easements serving the applicable Mortgaged Property and such easements are set forth in and insured by the applicable Title Insurance Policy and (iii) each Mortgaged Property has sufficient parking (whether by right, pursuant to an REA or pursuant to an irrevocable easement) or is located in a parking lot district in which case no parking is required to be on-site but is instead supported by public garages and public transportation, all to the extent required to comply with all Requirements of Law.

(d) Physical Condition . Each Mortgaged Property, including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, is in serviceable condition, order and repair in all material respects (ordinary wear and tear excepted). To the knowledge of the Credit Parties and their Subsidiaries, there exists no material structural, mold or other material defects or damages in any Mortgaged Property, as a result of a casualty or otherwise, and whether latent or otherwise. No Credit Party has received written notice from any insurance company or bonding company of any defects or inadequacies in any Mortgaged Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond.

(e) Condemnation . No Condemnation or other proceeding has been commenced or, to the knowledge of the Credit Parties, is threatened in writing or contemplated with respect to all or any portion of any Mortgaged Property or for the relocation of roadways providing access to any Mortgaged Property.

(f) Separate Lots; Assessments . Each Mortgaged Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with any Mortgaged Property or any portion thereof. To the knowledge of the Credit Parties and their Subsidiaries, there are no pending or proposed special or other assessments for public improvements or otherwise affecting any Mortgaged Property, nor to the knowledge of the Credit Parties or their Subsidiaries, are there any contemplated improvements to any Mortgaged Property that may result in such special or other assessments.

(g) Boundaries . Except to the extent affirmatively insured over under the title policies, (i) none of the Improvements which were included in determining the appraised value of any Mortgaged Property lie outside the boundaries and building restriction lines of any Mortgaged Property to any material extent, and (ii) no improvements on adjoining properties encroach upon any Mortgaged Property and no easements or other encumbrances upon any Mortgaged Property encroach upon any of the Improvements so as to materially affect the value or marketability of any Mortgaged Property.

(h) Reciprocal Easement Agreements . Neither a Credit Party nor a Subsidiary thereof has given or received any written notice with respect to any alleged or current default under any of the terms and conditions of a REA as described in any title commitment for a Mortgage Policy. To the knowledge of each Credit Party and each of its Subsidiaries, all easements granted pursuant to any REA that were to have survived the site preparation and completion of construction of any Improvements on the Mortgaged Properties (to the extent the

same has been completed), remain in full force and effect and have not been released, terminated, extinguished or discharged by agreement or otherwise. All material sums due and owing by a Credit Party or any of its Subsidiaries to other parties to any REA (or, to the Credit Parties' knowledge, by the other parties to each REA to a Credit Party) pursuant to the terms of such REA (including, without limitation, all sums, charges, fees, assessments, costs and expenses in connection with any taxes, site preparation and construction, non-shareholder contributions, and common area and other property management activities) have been paid, and no Lien has attached on any Mortgaged Property (or to the knowledge of the Credit Parties or their Subsidiaries, threat thereof has been made) for failure to pay any of the foregoing.

(i) No Flood Hazard Property . No Mortgaged Property is a Flood Hazard Property unless flood insurance reasonably acceptable to the Administrative Agent has been provided for such Mortgaged Property.

(j) Information regarding Mortgaged Properties . Set forth on Schedule 3.23(j) is information regarding each Mortgaged Property, including, without limitation, the street address, city, county and state where located.

(k) Insurance . The insurance coverage of the Credit Parties and their Subsidiaries as of the Closing Date (or, if applicable, any subsequent date on which such schedule is required, pursuant to the terms hereof, to be updated) is outlined as to carrier, policy number, expiration date, type and amount on Schedule 3.23(k) and such insurance coverage complies the requirements set forth in Section 5.6.

(l) Notices Related to Mortgaged Properties . No Credit Party has, on or after the date hereof, been notified in writing by any Governmental Authority or any other Person that such party has rescinded or not renewed, or is reasonably likely to rescind or not renew, any material permit, license, certification, authorization, approval, consent or agreement granted to it or to which it is a party. No Credit Party has received written notice from any insurance company or bonding company of any defects or inadequacies in any Mortgaged Property, or any part thereof, which would materially and adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond.

(m) Modifications/Alterations to Mortgaged Properties subject to Lien of Credit Documents . Each Credit Party affirms that (i) title with respect to any and all modifications and alterations to any Mortgaged Property shall automatically (and without the need for further action) vest with the Borrower and (ii) any and all such modifications and alterations to any Mortgaged Property shall automatically (and without the need for further action) be subject to the Lien of the Credit Documents in favor of the Administrative Agent.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1 Conditions to Closing Date .

This Agreement shall become effective upon, and the obligation of each Lender to make the initial Extensions of Credit on the Closing Date is subject to, the satisfaction of the following conditions precedent:

(a) Execution of this Agreement; Credit Documents and Lender Consents . The Administrative Agent shall have received (i) counterparts of this Agreement, executed by a duly authorized officer of each party hereto, (ii) for the account of each Lender requesting a promissory note, a Note, (iii) counterparts of the Mortgage Instruments, conforming to the requirements of this Agreement and executed by duly authorized officers of the Borrower or other Person, as applicable, (iv) counterparts of each other Credit Document, executed by the duly authorized officers of the parties thereto and (v) executed consents, in substantially the form of Exhibit 4.1(a) , from each Lender authorizing the Administrative Agent to enter this Agreement on their behalf.

(b) Authority Documents . The Administrative Agent shall have received the following:

(i) Articles of Incorporation/Charter Documents . Original certified articles of incorporation or other charter documents, as applicable, of each Credit Party certified (A) by an officer of such Credit Party (pursuant to an officer's certificate in substantially the form of Exhibit 4.1(b) attached hereto) as of the Closing Date to be true and correct and in force and effect as of such date, and (B) to be true and complete as of a recent date by the appropriate Governmental Authority of the state of its incorporation or organization, as applicable.

(ii) Resolutions . Copies of resolutions of the board of directors or comparable managing body of each Credit Party approving and adopting the Credit Documents, the transactions contemplated therein and authorizing execution and delivery thereof, certified by an officer of such Credit Party (pursuant to an officer's certificate in substantially the form of Exhibit 4.1(b) attached hereto) as of the Closing Date to be true and correct and in force and effect as of such date.

(iii) Bylaws/Operating Agreement . A copy of the bylaws or comparable operating agreement of each Credit Party certified by an officer of such Credit Party (pursuant to an officer's certificate in substantially the form of Exhibit 4.1(b) attached hereto) as of the Closing Date to be true and correct and in force and effect as of such date.

(iv) Good Standing . Original certificates of good standing, existence or the equivalent with respect to each Credit Party certified as of a recent date by the appropriate Governmental Authorities of the state of incorporation or organization and each other state in which the failure to so qualify and be in good standing could reasonably be expected to have a Material Adverse Effect.

(v) Incumbency . An incumbency certificate of each Responsible Officer of each Credit Party certified by an officer (pursuant to an officer's certificate in substantially the form of Exhibit 4.1(b) attached hereto) to be true and correct as of the Closing Date.

(c) Legal Opinion of Counsel . The Administrative Agent shall have received an opinion or opinions of counsel (including, without limitation, local counsel opinions (in each case reasonably acceptable to the Administrative Agent) and opinions from the in-house general counsel of the Credit Parties) for the Credit Parties, dated the Closing Date and addressed to the Administrative Agent and the Lenders, in form and substance reasonably acceptable to the

Administrative Agent (which shall include, without limitation, opinions with respect to the due organization and valid existence of each Credit Party, opinions as to perfection of the Liens granted to the Administrative Agent pursuant to the Security Documents and opinions as to the non-contravention of the Credit Parties' organizational documents and material contracts, as disclosed in the Borrower's SEC filings).

(d) Collateral . The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent, and to the extent provided by third parties, from a provider reasonably acceptable to the Administrative Agent:

(i) a fully executed and notarized Mortgage Instrument encumbering each Mortgaged Property as to property owned by the Borrower;

(ii) with respect to each Mortgaged Property, a Mortgage Policy assuring the Administrative Agent that the Mortgage Instrument with respect to such Mortgaged Property creates a valid and enforceable first priority mortgage lien on such Mortgaged Property, free and clear of all defects and encumbrances except Permitted Liens, which Mortgage Policy shall be in form and substance reasonably satisfactory to the Administrative Agent and shall provide for affirmative insurance and such reinsurance as the Administrative Agent may reasonably request, all of the foregoing in form and substance reasonably satisfactory to the Administrative Agent;

(iii) evidence as to (A) whether each Mortgaged Property is a Flood Hazard Property and (B) if any Mortgaged Property is a Flood Hazard Property, (x) whether the community in which such Mortgaged Property is located is participating in the National Flood Insurance Program, (y) the applicable Credit Party's written acknowledgment of receipt of written notification from the Administrative Agent (I) as to the fact that any Mortgaged Property is a Flood Hazard Property and (II) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (z) copies of insurance policies or certificates of insurance of the Credit Parties evidencing flood insurance reasonably satisfactory to the Administrative Agent and naming the Administrative Agent as loss payee on behalf of the Lenders;

(iv) a map or plat, as applicable, and the as-built survey of the site of each Mortgaged Property (a " Survey "), in each case certified to the Administrative Agent and the Title Insurance Company in a manner reasonably satisfactory to them, dated a date satisfactory to each of the Administrative Agent and the Title Insurance Company by an independent professional licensed land surveyor reasonably satisfactory to each of the Administrative Agent and the Title Insurance Company, which map or plat, as applicable, and the survey on which they are based shall be sufficient to delete any standard printed survey exception contained in the applicable title policy and be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 2005, and, without limiting the generality of the foregoing, there shall be surveyed and shown on such map or plat, as applicable, and survey the following: (A) the locations on such site of all the buildings, structures and other improvements and the established building setback lines; (B) the lines of streets abutting the site and width thereof; (C) all access and other easements appurtenant to the site necessary to use the site; (D) all roadways, paths, driveways, easements, encroachments and overhanging projections and similar encumbrances affecting the site, whether recorded, apparent from a physical inspection of the site or otherwise known to the

surveyor; (E) any encroachments on any adjoining property by the building structures and improvements on the site; and (F) if the site is described as being on a filed map, a legend relating the survey to said map;

(v) a reasonably satisfactory third-party environmental review of each Mortgaged Property, including, without limitation, but not limited to a Phase I environmental assessment, together with a reliance letter in favor of the Lenders (the " Environmental Report ");

(vi) an opinion of counsel to the Credit Parties for each jurisdiction in which any Mortgaged Property is located;

(vii) a zoning report for each Mortgaged Property (the " Zoning Report ");

(viii) an MAI appraisal (in accordance with FIRREA standards) of each Mortgaged Property (the " Appraisal ");

(ix) (A) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each Credit Party and each jurisdiction where any Collateral is located or where a filing would need to be made in order to perfect the Administrative Agent's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens and (B) tax lien and judgment searches;

(x) completed UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral;

(xi) duly executed consents as are necessary, in the Administrative Agent's sole discretion, to perfect the Lenders' security interest in the Collateral;

(xii) to the extent required to be delivered pursuant to the terms of the Security Documents, all instruments, documents and chattel paper in the possession of any of the Credit Parties, together with allonges or assignments as may be necessary or appropriate to perfect the Administrative Agent's and the Lenders' security interest in the Collateral; and

(xiii) property condition and engineering report regarding any Mortgaged Property (the " Property Condition Report ").

(e) Liability, Casualty, Property, Business Interruption and other Insurance . The Administrative Agent shall have received copies of insurance policies or certificates and endorsements of insurance evidencing insurance meeting the requirements set forth herein. The (i) Administrative Agent shall be named as mortgagee and lenders' loss payee, as its interest may appear, with respect to any such insurance providing coverage in respect of any Mortgaged Property and (ii) each of the Administrative Agent, the Lenders and the Borrower, shall be named as an additional insured, as its interest may appear, with respect to any such insurance providing liability coverage, and the Credit Parties will use their commercially reasonable efforts to have each provider of any such insurance agree, by endorsement upon the policy or policies issued by it or by independent instruments to be furnished to the Administrative Agent, that it will give the

Administrative Agent thirty (30) days prior written notice before any such policy or policies shall be materially altered or cancelled.

(f) Account Designation Notice . The Administrative Agent shall have received the executed Account Designation Notice in the form of Exhibit 1.1(a) hereto.

(g) Consents . The Administrative Agent shall have received evidence that all boards of directors, governmental, shareholder and material third party consents and approvals necessary in connection with the Transactions have been obtained and all applicable waiting periods have expired without any action being taken by any authority that could restrain, prevent or impose any material adverse conditions on such Transactions or that could seek or threaten any of the foregoing.

(h) Compliance with Laws . The financings and other Transactions contemplated hereby shall be in compliance with all applicable laws and regulations (including, without limitation, all applicable securities and banking laws, rules and regulations).

(i) Bankruptcy . There shall be no bankruptcy or insolvency proceedings pending with respect to any Credit Party or any Subsidiary thereof.

(j) Financial Statements . The Administrative Agent and the Lenders shall have received copies of the financial statements referred to in Section 3.1, each in form and substance reasonably satisfactory to the Administrative Agent.

(k) No Material Adverse Effect . Since December 31, 2009, there shall have been no occurrence or other matter resulting in a Material Adverse Effect.

(l) Financial Condition Certificate . The Administrative Agent shall have received a certificate or certificates executed by a Responsible Officer of the Borrower as of the Closing Date, substantially in the form of Exhibit 4.1(l) stating that (i) there does not exist any pending or ongoing, action, suit, investigation, litigation or proceeding in any court or before any other Governmental Authority (A) affecting this Agreement or the other Credit Documents, that has not been settled, dismissed, vacated, discharged or terminated prior to the Closing Date or (B) that purports to affect any Credit Party or any of its Subsidiaries, or any transaction contemplated by the Credit Documents, which action, suit, investigation, litigation or proceeding could reasonably be expected to have a Material Adverse Effect, that has not been settled, dismissed, vacated, discharged or terminated prior to the Closing Date, (ii) immediately after giving effect to this Agreement, the other Credit Documents, and all the Transactions contemplated to occur on such date, (A) no Default or Event of Default exists, (B) all representations and warranties contained herein and in the other Credit Documents are true and correct, and (C) the Credit Parties are in compliance on a Pro Forma Basis with each of the initial financial covenants set forth in Section 5.11 (as evidenced through detailed calculations of such financial covenants on a schedule to such certificate) as of the last day of the fiscal quarter ending at least twenty (20) days preceding the Closing Date and (D) the Transactions do not contravene, or otherwise conflict with, the terms of any of the Credit Parties' then current Material Contracts and (iii) each of the other conditions precedent in Section 4.1 have been satisfied.

(m) Structure . The pro forma capital, ownership and management structure and shareholding arrangement of the Credit Parties and their Subsidiaries (and all agreements relating thereto) shall be reasonably satisfactory to the Administrative Agent.

(n) Fees and Expenses . The Administrative Agent and the Lenders shall have received all fees and expenses, if any, owing as of the Closing Date pursuant to the Engagement Letter and Section 2.2.

(o) Pay-Off of Existing Indebtedness for Mortgaged Properties . The Administrative Agent shall have received evidence of (i) the pay-off of all existing Indebtedness, if any, with regard to each Mortgaged Property, (ii) the release and termination of all Liens securing such Indebtedness and (iii) the transfer to the Borrower of all right, title and interest of any third party holding any interest in any Mortgaged Property in connection with such Indebtedness or otherwise.

(p) Representations and Warranties . The representations and warranties made by the Borrower herein, in the Credit Documents and which are contained in any certificate furnished at any time under or in connection herewith on or prior to the Closing Date shall (i) with respect to representations and warranties that do not contain a materiality qualification, be true and correct and (ii) with respect to representations and warranties that do contain a materiality qualification, be true and correct in all material respects, in each case on and as of the Closing Date.

(q) Additional Matters . All other documents and legal matters in connection with the Transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to the Administrative Agent and its counsel.

Without limiting the generality of the provisions of Section 8.4, for purposes of determining compliance with the conditions specified in this Section 4.1, each Lender that has signed this Agreement or a Lender Consent shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto. All third party due diligence reports shall be commissioned by the Administrative Agent and addressed to the Administrative Agent on behalf of the Lenders and their respective successors and assigns.

Section 4.2 Conditions to Extensions of Credit .

The obligation of each Lender to make any Extension of Credit hereunder is subject to the satisfaction of the following conditions precedent on the date of making such Extension of Credit:

(a) No Default or Event of Default . No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Extension of Credit to be made on such date unless such Default or Event of Default shall have been waived in accordance with this Agreement.

Each Extension of Credit and each acceptance by the Borrower of any such Extension of Credit shall be deemed to constitute representations and warranties by the Credit Parties as of the date of such Extension of Credit that the conditions set forth above in this Section 4.2 have been satisfied.

ARTICLE V

AFFIRMATIVE COVENANTS

The Borrower, on behalf of each of the Credit Parties, hereby covenants and agrees on the Closing Date and thereafter (a) for so long as this Agreement is in effect and (b) until no Note remains outstanding and unpaid and the Credit Party Obligations and all other amounts owing to the Administrative Agent or any Lender hereunder are paid in full, that (for the duration of time described in the foregoing subsections (a) and (b)) each Credit Party shall, and shall cause each of its Subsidiaries to:

Section 5.1 Financial Statements .

Furnish to the Administrative Agent and each of the Lenders:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower, a copy of the Consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such year and the related Consolidated statements of income and retained earnings and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without qualification, by independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than forty-five (45) days after the end of each of the first three (3) quarterly periods of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2010), the unaudited Consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited Consolidated statements of income and retained earnings and of cash flows of the Borrower and its Consolidated Subsidiaries for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year.

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in

accordance with GAAP applied consistently throughout the periods reflected therein (except as may be approved by such Responsible Officer or accountants, as the case may be, and disclosed therein). The Borrower's obligation to furnish such statements is subject to the final paragraph of Section 5.2.

Section 5.2 Certificates; Other Information .

Furnish to the Administrative Agent and each of the Lenders:

(a) within fifteen (15) days after the delivery of the financial statements referred to in Section 5.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default under Section 5.11, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in Section 5.1(a) and within fifteen (15) days after the delivery of the financial statements referred to in Section 5.1(b), a certificate of a Responsible Officer substantially in the form of Exhibit 5.2(b) (i) stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) including, without limitation, calculations in

reasonable detail with respect to compliance with Section 5.11, (iii) demonstrating compliance with the Guarantee Requirement and (iv) certifying that the financial statements delivered for such period are fairly stated in all material respects (subject to normal year-end audit adjustments);

(c) concurrently with the delivery of the financial statements referred to in Section 5.1(a), a copy of any business plan for the Borrower, individually, or for the Borrower and its Subsidiaries on a Consolidated basis, that has been prepared and presented to the Board of Directors of the Borrower and that has been approved by the Board of Directors of the Borrower with respect to the fiscal year commencing immediately after the fiscal year covered by such financial statements, such plan to be accompanied by a certificate of a Responsible Officer to the effect that such plan has been prepared in good faith based on reasonable assumptions regarding the operations of the Borrower and its Subsidiaries and that such Responsible Officer has no reason to believe it is incorrect or misleading in any material respect;

(d) [intentionally deleted];

(e) no later than five (5) Business Days prior to the effective date thereof, a copy of any amendment, supplement, waiver or other modification to any Organizational Agreement;

(f) promptly after the same become publicly available, copies of all periodic reports, proxy statements and other materials filed by the Borrower or any of its Subsidiaries with the SEC (or any successor thereto) or any national securities exchange, or distributed by the Borrower or any of its Subsidiaries to its security holders generally, as the case may be;

(g) promptly following receipt thereof, copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Credit Party or any Commonly Controlled Entity may request with respect to any Multiemployer Plan; provided , that if the Credit Parties or any Commonly Controlled Entity have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, then, upon reasonable request of the Administrative Agent, the Credit Parties and/or their Commonly Controlled Entities shall promptly make a request for such documents or notices and from such administrator or sponsor and the Parent shall provide copies of such documents to the Administrative Agent (on behalf of each Lender) promptly after receipt thereof; and

(h) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

Notwithstanding the foregoing provisions of Sections 5.1(a), 5.1(b), 5.2(e) and 5.2(f) as of the date items are to be furnished to the Administrative Agent and the Lenders under such Sections 5.1(a), 5.1(b), 5.2(e) and 5.2(f), to the extent the Borrower files the various financial statements, reports, statements and any other materials referred to in Sections 5.1(a), 5.1(b), 5.2(e) and 5.2(f), as applicable, with the SEC and such financial statements, reports, statements and other materials are publicly available on the SEC website, then the Borrower shall be deemed to have furnished such financial statements, reports, statements and other such information pursuant to Sections 5.1(a), 5.1(b), 5.2(e) and 5.2(f), as applicable, as of the date such applicable items become publicly available on the SEC website.

Section 5.3 Payment of Obligations .

Pay, discharge or otherwise satisfy, at or before maturity or before they become delinquent, as the case may, be all its obligations of whatever nature, except where (a) the amount or validity thereof is

currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be, or (b) the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 5.4 Conduct of Business and Maintenance of Existence .

Continue to engage in its now current business which is comprised of the development and commercialization of therapeutic products for patients with chronic and life-threatening diseases and to preserve, renew and keep in full force and effect its existence and to take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of such business.

Section 5.5 Compliance with Contractual Obligations and Laws .

Comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 5.6 Insurance .

(a) Maintain with financially sound and reputable insurance companies insurance in such form and upon such terms and in such amounts and against such risks as are usually insured against in the same general area by companies engaged in the same or a similar business, provided , regarding any Mortgaged Property if and to the extent of any conflict between the provisions of this Section 5.6(a) and Sections 5.6(b)-(d), the provisions of Sections 5.6(b)-(d) shall govern and control.

(b) Obtain and maintain, or cause to be maintained, at all times insurance for the Credit Parties and each Mortgaged Property providing at least the following coverages:

(i) comprehensive "all risk" insurance on the Improvements and the Fixtures, in each case (A) in an amount equal to one hundred percent (100%) of the "Full Replacement Cost," which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation; (B) containing an agreed amount endorsement with respect to the Improvements and Fixtures waiving all co-insurance provisions; (C) providing for no deductible or self-insured retention in excess of $500,000 for all such insurance coverage; and (D) if any of the Improvements or the use of any Mortgaged Property shall at any time constitute "legal nonconforming" structures or uses, providing coverage for contingent liability from operation of building laws, demolition costs and increased cost of construction endorsements and containing an "Ordinance or Law Coverage" or "Enforcement" endorsement. In addition, Credit Parties shall obtain: (x) windstorm and mold insurance in amounts and in form and substance acceptable to the Administration Agent; (y) if any portion of the Improvements is at any time located in an area identified by the Federal Emergency Management Agency or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor law (the "Flood Insurance Acts"), flood hazard insurance of the following types and in the following amounts: (A) coverage under insurance policies issued pursuant to the Flood Insurance Acts (the "Flood Insurance Policies") in an amount equal to the lesser of (1) the principal balance of the Loans and (2) the maximum limit of coverage available for the applicable Mortgaged

Properties under the Flood Insurance Acts, subject only to customary deductibles under such insurance policies; and (B) coverage under supplemental private insurance policies in an amount, which when added to the coverage provided under the Flood Insurance Policies, is not less than the principal balance of the Loans; and (z) earthquake insurance in amounts and in form and substance reasonably satisfactory to the Administrative Agent in the event any Mortgaged Property is located in an area with a high degree of seismic risk;

(ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about each Mortgaged Property, with such insurance (A) to be in an amount reasonably acceptable to the Administrative Agent; and (B) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations; (3) independent contractors and (4) blanket contractual liability;

(iii) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if any Mortgaged Property coverage form does not otherwise apply, (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in subsection (i) above written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against "all risks" insured against pursuant to subsection (i) above, (3) including, without limitation, permission to occupy each Mortgaged Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(iv) workers' compensation, subject to applicable statutory limits, and employer's liability insurance in respect of any work or operations on or about any Mortgaged Property, or in connection with any Mortgaged Property or its operation (if applicable); and

(v) pollution and remediation legal liability insurance covering legal expenses, remediation costs and loss of value for each Mortgaged Property relating to environmental issues on, under or emanating from any Mortgaged Property in such reasonable amounts as requested by the Administrative Agent; provided that (A) such insurance shall be (1) not less than $10,000,000 per Mortgaged Property per occurrence and (2) not less than $10,000,000 in the aggregate and (B) no deductible shall be in excess of $200,000.

(c) Cause all insurance policies provided for under Section 5.6(b) to contain clauses or endorsements to the effect that:

(i) no act or negligence of any Credit Party, or anyone acting for any Credit Party, or any other tenant or other occupant, or failure to comply with the provisions of any insurance policy, which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as the Administrative Agent is concerned;

(ii) the insurance policies shall not be materially changed (other than to increase the coverage provided thereby) or canceled without at least thirty (30) days' prior written notice to the Administrative Agent and any other party named therein as an additional insured;

(iii) the issuers thereof shall give written notice to the Administrative Agent if the insurance policies have not been renewed thirty (30) days prior to its expiration; and

(iv) the Administrative Agent shall not be liable for any insurance premiums thereon or subject to any assessments thereunder.

(d) Maintain with financially sound and reputable insurance companies having a claims paying ability rating of "A-" or better by A.M. Best Company (or such other rating agency acceptable to the Administrative Agent) liability, casualty, property and business interruption insurance (including, without limitation, insurance with respect to the Mortgaged Properties) in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to the Administrative Agent, upon the request of the Administrative Agent, full information as to the insurance carried. The Administrative Agent shall be named as lender loss payable and mortgagee, as its interest may appear, and the Administrative Agent, the Lenders and the Borrower shall each be named as an additional insured with respect to any such casualty, property and liability insurance, as applicable. If at any time the Administrative Agent is not in receipt of written evidence that all insurance required hereunder is in full force and effect, the Administrative Agent shall have the right, without notice to the Credit Parties, to take such action as the Administrative Agent deems necessary to protect its interest in each Mortgaged Property, including, without limitation, obtaining such insurance coverage as the Administrative Agent in its sole discretion deems appropriate. All premiums incurred by the Administrative Agent in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Credit Parties to the Administrative Agent upon demand and, until paid, shall be secured by the Mortgage Instruments and shall bear interest at the applicable Default Rate.

Section 5.7 Inspection of Property; Books and Records; Discussions .

(a) Keep proper books of records and account in which complete and correct entries in conformity with GAAP and all material Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) permit appropriate representatives of the Administrative Agent or any Lender to (i) visit and inspect each Mortgaged Property, visit any property where its financial records are maintained and examine and make abstracts from any of its financial records as often as may be reasonably requested, in each case (prior to the occurrence of a Default, no more frequently than once per calendar year but from and after the occurrence of any Default or Event of Default and during the continuance thereof, without limitation as to the frequency of such visits and inspections) during normal business hours and upon reasonable prior notice specifying the purpose of such visit and inspection, and (ii) discuss the business, operations, properties and financial condition of the Borrower and its Subsidiaries with Responsible Officers of the Borrower and its Subsidiaries and with the Borrower's independent certified public accountants (any such discussion with such accountants to be in the presence of a Responsible Officer of the Borrower unless an Event of Default has occurred and is continuing). In light of the nature of the businesses in which the Borrower and its Subsidiaries will engage, it is understood and agreed that, unless an Event of Default has occurred and is continuing, the Borrower may limit the access of representatives of the Administrative Agent and any Lender to any property of the Borrower and its Subsidiaries (other than any Mortgaged Property) if the Borrower determines in good faith, after consultation with the Administrative Agent, that such access to such property would significantly disrupt the normal conduct of the business conducted on such property.

Section 5.8 Notices .

Promptly give notice in writing to the Administrative Agent (which shall promptly transmit such notice to each Lender) of:

(a) the occurrence of any Default or Event of Default;

(b) any default or event of default under any Contractual Obligation of any Credit Party or any of its Subsidiaries, which if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) the following events, as soon as possible and in any event within thirty (30) days after any Credit Party knows thereof, if, individually or in the aggregate, the liability of a Credit Party or any of its Subsidiaries that could reasonably be expected to result would be $10,000,000 or more: (i) the occurrence or expected occurrence of any Reportable Event or non-exempt Prohibited Transaction with respect to any Single Employer Plan; the failure to make any required contribution to a Single Employer Plan; a determination that any Single Employer Plan is in "at-risk" status (within the meaning of Section 303 of ERISA or Section 430 of the Code); the creation of any Lien in favor of the PBGC or a Single Employer Plan; the termination of any Single Employer Plan; or any withdrawal from, of the Reorganization or Insolvency of, any Multiemployer Plan or any determination that a Multiemployer Plan is, or is expected to be, in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or (ii) the institution of proceedings or the taking of any other action by the PBGC, any Credit Party or any Commonly Controlled Entity or any Plan with respect to the termination of, any Single Employer Plan or the withdrawal from, Reorganization, Insolvency of, or endangered or critical status of, any Multiemployer Plan;

(d) promptly, upon becoming aware of the occurrence of any litigation, or any investigation or proceeding known to any Credit Party (i) affecting any Credit Party or any of its Subsidiaries which (in the Borrower's reasonable judgment), if adversely determined, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or otherwise involve a monetary claim in excess of $10,000,000 (with respect to any such individual matter) or $25,000,000 (with respect to all such matters in the aggregate), (ii) affecting or with respect to this Agreement, any other Credit Document or any security interest or Lien created thereunder or (iii) involving any notice of violation of a Requirement of Law or any environmental claim or potential liability under Environmental Laws which, in each case, could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or otherwise to have exposure to any Credit Party in excess of $10,000,000 (with respect to any such individual matter) or $25,000,000 (with respect to all such matters in the aggregate);

(e) any attachment, judgment, lien, levy or order exceeding $2,000,000 that may be assessed against or threatened in writing against any Credit Party other than Permitted Liens or any such attachment, judgment, lien, levy or order exceeding $250,000 that may be assessed against any Mortgaged Property;

(f) promptly, any written notice of any violation received by any Credit Party from any Governmental Authority (including, without limitation, any notice of violation of Environmental Laws) which could reasonably be expected to have a Material Adverse Effect or otherwise to have exposure to any Credit Party in excess of $10,000,000;

(g) with respect to each Mortgaged Property, any (i) written notice that any Governmental Authority has revoked or is likely to revoke any material Environmental Permit held by, or has refused to issue or renew, or is likely to refuse to issue or renew, any material Environmental Permit sought by, the Borrower, any Credit Party or any of its Subsidiaries; (ii) listing or proposal for listing any Mortgaged Property on any list maintained by any Governmental Authority for possible environmental investigation or remediation, including, without limitation, the National Priorities List and the Comprehensive Environmental Response, Compensation and Liability Information System list maintained by the U.S. Environmental Protection Agency and any similar list maintained by any other federal, state, local, or other authority; or (iii) development, event or condition that, individually or in the aggregate with other developments, events or conditions, could reasonably be expected to have a Material Adverse Effect; and

(h) promptly of the intended sale, transfer or other disposition of any Collateral.

Each notice pursuant to this Section 5.8 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action, if any, the Borrower proposes to take with respect thereto.

Section 5.9 Addition of Material Subsidiaries as Guarantors / Guarantee Requirement .

The Borrower will cause the Guarantee Requirement to be satisfied at all times from and after the date sixty (60) days after the Closing Date. Each Subsidiary, designated as a Material Subsidiary by the Borrower (as described in the definition of "Material Subsidiary"), shall for all purposes of this Agreement and the other Credit Documents immediately be a Material Subsidiary and a Guarantor from the time of such designation.

Concurrent with its delivery of the Guaranty Agreement, the initial Guarantor shall: (a) execute and deliver (i) the Initial Guarantor Joinder Agreement, in form and substance reasonably satisfactory to the Administrative Agent, pursuant to which the initial Guarantor shall become a Guarantor and shall join as a party to this Agreement and the Environmental Indemnity and (ii) an officer's certificate in the form attached hereto as Exhibit 4.1(b) , with the appropriate exhibits thereto, in form and substance reasonably satisfactory to the Administrative Agent, and (b) cause to be delivered to the Administrative Agent a legal opinion regarding the initial Guarantor, the Guaranty Agreement, the Initial Guarantor Joinder Agreement and the Environmental Indemnity, substantially in the form of the legal opinions delivered on behalf of the Borrower on the Closing Date, addressed to the Administrative Agent and the Lenders. The Guaranty Agreement, the Initial Guarantor Joinder Agreement, the officer's certificate and the legal opinion shall all be delivered on or prior to the date sixty (60) days after the Closing Date to the Administrative Agent.

Each Subsidiary (other than such which is already a party to the Guaranty Agreement as a direct party thereto or pursuant to a prior Joinder Agreement) designated as a Material Subsidiary shall execute a Joinder Agreement, in form and substance reasonably satisfactory to the Administrative Agent, evidencing that such Subsidiary has been joined as a Guarantor; provided , notwithstanding any failure or delay in the execution of such Joinder Agreement, each such Subsidiary shall be a Guarantor from the time of such designation as a Material Subsidiary. Concurrent with its delivery of the above-referenced Joinder Agreement, each such Material Subsidiary shall also execute an officer's certificate in the form attached hereto as Exhibit 4.1(b) , with the appropriate exhibits thereto, in form and substance reasonably satisfactory to the Administrative Agent. The Joinder Agreement and the officer's certificate shall all be delivered promptly (and in any event within twenty (20) Business Days after the date of designation of such Subsidiary as a Material Subsidiary) to the Administrative Agent.

For purposes of this Agreement and the other Credit Documents, " Material Subsidiary " shall mean any Subsidiary (a) the revenues of which for the most recent period of four fiscal quarters of the Borrower were greater than 5% of the Borrower's consolidated revenues for such period or (b) the assets of which as of the last day of the most recently completed period of four fiscal quarters of the Borrower were greater than 5% of Borrower's consolidated assets as of such date; provided , that if at any time (i) the aggregate amount of the revenues of all Subsidiaries that are not Material Subsidiaries exceeds 10% of the Borrower's consolidated revenues for the most recent period of four fiscal quarters of the Borrower or (ii) the aggregate amount of the assets of all Subsidiaries that are not Material Subsidiaries exceeds 10% of the Borrower's consolidated assets as of the last day of the most recently completed period of four fiscal quarters of the Borrower, then the Borrower shall designate sufficient Subsidiaries as "Material Subsidiaries" to eliminate such excess. For purposes of making the determinations required by this definition, revenues and assets of Foreign Subsidiaries shall be converted into Dollars at the rates used in preparing the consolidated balance sheet of the Borrower included in the applicable financial statements of the Borrower. The Borrower agrees that it will promptly notify Administrative Agent in writing if and when any other existing or future Subsidiaries of the Borrower should be added as Guarantors in order to meet the Guarantee Requirement and which Subsidiaries have been so added as Material Subsidiaries.

Notwithstanding the foregoing, and provided no Default or Event of Default shall have occurred and be continuing, if the Borrower provides the Administrative Agent with an officer's certificate from a Responsible Officer within twenty (20) Business Days after the last day of any fiscal quarter certifying that the Guarantee Requirement and the requirements set forth for a "Material Subsidiary" in the preceding paragraph shall continue to be satisfied at all times notwithstanding the release of a Subsidiary from its status as a "Guarantor", then the Administrative Agent shall promptly provide a letter in favor of such Subsidiary and the Borrower releasing such Subsidiary from its status as a "Guarantor".

Section 5.10 Environmental Matters .

(a) Comply in all material respects with, and use commercially reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply in all material respects with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws;

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws except to the extent that the same are being contested in good faith by appropriate proceedings;

(c) Upon the reasonable written request of the Administrative Agent following the occurrence of any event or the discovery of any condition which the Administrative Agent or the Lenders reasonably believe has caused (or could be reasonably expected to cause) the representations and warranties set forth in Section 3.18 to be untrue in any material respect, furnish or cause to be furnished to the Administrative Agent, at the Borrower's expense, a report of an environmental assessment of reasonable scope, form and depth, (including, without limitation, if deemed appropriate by Administrative Agent, acting reasonably, invasive soil or groundwater sampling) by a consultant reasonably acceptable to the Administrative Agent as to whether a release or threat of release of any Materials of Environmental Concern has or may have occurred on any of the Properties and as to the compliance by any of the Credit Parties or any of their Subsidiaries with Environmental Laws at such Property. If the Credit Parties fail to deliver

such an environmental report within 120 days after receipt of such written request then the Administrative Agent may arrange for the same, and the Credit Parties hereby grant to the Administrative Agent and its representatives (who agree to be bound by the confidentiality provisions of this Agreement) access to the Properties to reasonably undertake such an assessment (including, without limitation, if deemed appropriate by the Administrative Agent, acting reasonably, invasive soil or groundwater sampling). The reasonable cost of any assessment arranged for by the Administrative Agent pursuant to this provision will be payable by the Borrower promptly following demand and if not so paid added to the obligations secured by the Security Documents; and

(d) Defend, indemnify and hold harmless the Administrative Agent and the Lenders, and their respective employees, agents, officers and directors and affiliates, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Credit Party or any of its Subsidiaries or any of their respective properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or intentional bad acts of the party seeking indemnification therefor, or the material breach of the party seeking indemnification therefor of the obligations pursuant to this Agreement or any other Credit Document. The agreements in this paragraph shall survive repayment of the Credit Party Obligations and all other amounts payable hereunder and termination of the Loan Commitment and the Credit Documents.

Section 5.11 Financial Covenants .

Comply with the following financial covenants:

(a) Maximum Consolidated Leverage Ratio Covenant . The maximum Consolidated Leverage Ratio, calculated as of the last day of each fiscal quarter on a rolling four quarter basis commencing with the quarter ending as of September 30, 2010, shall not exceed 2.50:1.00; and

(b) Minimum Liquidity Covenant . The sum of the Borrower's Cash plus Cash Equivalents plus the Fair Market Value of Marketable Securities minus all Consolidated Funded Indebtedness scheduled to mature during the next occurring four (4) quarters (determined on a rolling four quarter basis commencing with the quarter ending as of September 30, 2010) minus STAP Liability in excess of $50,000,000, in each case calculated as of the last day of each fiscal quarter commencing with the quarter ending as of September 30, 2010, shall not be less than $150,000,000.

Section 5.12 Pledged Assets .

(a) Priority . From the Closing Date until the date on which all of the Credit Party Obligations have been fully and finally paid and performed, cause each Mortgaged Property and all other Collateral to be, at all times, subject to a valid, first priority perfected Lien, in favor of the Administrative Agent on behalf of the Lenders, granted by the Credit Parties subject only to Permitted Liens.

(b) Perfection of Security Interest by Filing, Etc. Execute and deliver to the Administrative Agent and/or record or file such agreements, assignments or instruments and do all such other things as the Administrative Agent may reasonably deem necessary or appropriate (i) to assure to the Administrative Agent its security interests hereunder and under the other Credit Documents are perfected, (ii) to consummate the transactions contemplated hereby and (iii) to otherwise protect and assure the Administrative Agent of its rights and interests hereunder. Each Credit Party hereby authorizes the Administrative Agent to prepare and file such financing statements (including, without limitation, continuation statements) or amendments thereof or supplements thereto or other instruments as the Administrative Agent may from time to time deem reasonably necessary or appropriate in order to perfect and maintain the security interests granted hereunder in accordance with the UCC. Each Credit Party agrees to mark its books and records to reflect the security interest of the Administrative Agent in the Collateral.

(c) Other Liens . Defend its interests in the Collateral against the claims and demands of all other parties claiming an interest therein and keep the Collateral free from all Liens, except for Permitted Liens. Neither the Administrative Agent nor any Lender authorizes any Credit Party to, and no Credit Party shall, sell, exchange, transfer, assign, lease or otherwise dispose of the Collateral or any interest therein, except as permitted under this Agreement.

(d) Preservation of Collateral . Keep the Collateral in good order, condition and repair in all material respects, ordinary wear and tear excepted; not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable Requirement of Law; and not permit any Collateral (that is personal property) to be or become a fixture to real property or an accession to other personal property unless the Administrative Agent has a valid, perfected and first priority security interest for the benefit of the Secured Parties in such real or personal property.

(e) Recovery Proceeds . Subject to the provisions of Section 5.19 hereof, cause all net cash insurance proceeds, condemnation or expropriation awards or other net proceeds of whatever type payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective property or assets constituting Collateral to be delivered to the Administrative Agent to the extent required by the Credit Documents or, if not so required, then to one or more of the Credit Parties.

Section 5.13 Further Assurances, Etc.

(a) Public/Private Designation . Cooperate with the Administrative Agent in connection with the publication of certain materials and/or information provided by or on behalf of the Credit Parties to the Administrative Agent and Lenders (collectively, " Information Materials ") and will designate Information Materials (i) that are either available to the public or not material with respect to the Credit Parties and their Subsidiaries or any of their respective securities for purposes of United States federal and state securities laws, as " Public Information " and (ii) that are not Public Information as " Private Information ".

(b) Additional Information . Provide such information regarding the operations, business affairs and financial condition of the Credit Parties and their Subsidiaries as the Administrative Agent or any Lender may reasonably request.

(c) Further Assurances . (i) Upon the reasonable request of the Administrative Agent, promptly perform or cause to be performed any and all acts and execute or cause to be executed any and all documents for filing under the provisions of the UCC or any other

Requirement of Law which are necessary or advisable to maintain in favor of the Administrative Agent, for the benefit of the Secured Parties, Liens on the Collateral that are duly perfected in accordance with the requirements of, or the obligations of the Credit Parties under, the Credit Documents and all applicable Requirements of Law and (ii) the Borrower will notify the Administrative Agent in the event that any Credit Party intends to change its name on the public record of the state of its organization or its "location" (as such term is used in Article 9 of any applicable Uniform Commercial Code) at least thirty (30) days before such change is made. Upon the exercise by the Administrative Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Credit Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Borrower or any Credit Party will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent or such Lender may be required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

Section 5.14 Maintenance of Mortgaged Property .

Cause each Mortgaged Property (including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, on or prior to the date on which any Mortgaged Property is scheduled to open for business and at all times thereafter (and except for times during which any of the same are being renovated, constructed, modified, restored, installed or repaired in connection with any the Administrative Agent-approved construction or renovation)) to be used, operated and maintained (at the cost and expense of the Credit Parties) (a) in a manner consistent with the practices of the Credit Parties with respect to similar facilities owned or operated by any of the Credit Parties, (b) in accordance with all applicable Requirements of Law, (c) so as to remain in a good and safe condition and repair (excepting customary and ordinary wear and tear) and (d) otherwise in accordance with the terms of this Agreement. Except with respect to the current construction on the Maryland Mortgaged Property, the anticipated modifications to the Improvements on the Maryland Mortgaged Property in connection with a walkway and the intended expansion of the Improvements on the

North Carolina Mortgaged Property, all of which are described in detail pursuant to Schedule 5.14 and are hereby approved by the Administrative Agent, the Improvements and the Fixtures shall not be removed, demolished or materially altered (except for replacement of the Fixtures in the ordinary course of business) without the prior written consent of the Administrative Agent; provided that, the Credit Parties shall have the right to improve or alter each Mortgaged Property so long as the economic value, useful life, utility, condition, operational capacity and functional capacity of such Mortgaged Property is not decreased or diminished by such improvement or alteration. If under applicable zoning provisions the use of all or any portion of any Mortgaged Property is or shall become a nonconforming use, the Credit Parties will not knowingly and intentionally cause or permit the nonconforming use to be discontinued or the nonconforming Improvement to be abandoned without the express written consent of the Administrative Agent. The Credit Parties (at the cost and expense of the Credit Parties) will cause each Mortgaged Property to be maintained and managed in accordance with all applicable Requirements of Law and all applicable requirements of Governmental Authorities. The Credit Parties will not commit or suffer any active, physical waste of any Mortgaged Property or take any action that invalidates or causes the cancellation of any insurance policy with respect to any Mortgaged Property, or do or permit to be done on any Mortgaged Property anything that may in any way materially impair the value of any Mortgaged Property or (except for Permitted Liens) the Lien on any Mortgaged Property. There shall, at all times, exist no material structural, mold or other material defects or damages in any Mortgaged Property, that is not being remediated pursuant to the Administrative Agent-approved construction or renovation.

Section 5.15 Utilities and Public Access; Parking .

Cause each Mortgaged Property, on or prior to the date on which such Mortgaged Property is scheduled to open for business and at all times thereafter (except for times during which any such services may be reasonably limited in connection with any renovation work or construction work which has been approved by the Administrative Agent or in a manner otherwise reasonably acceptable to the Administrative Agent), to have (a) adequate rights of access to public ways and be served by water, sewer, sanitary sewer and storm drain facilities adequate to service such Mortgaged Property for full utilization of such Mortgaged Property for its intended use, (b) all public utilities necessary to the full use and enjoyment of such Mortgaged Property as currently used and enjoyed which are located either in the public right-of-way abutting such Mortgaged Property (which are connected so as to serve such Mortgaged Property without passing over other property) or in recorded easements serving such Mortgaged Property and such easements are set forth in and insured by the applicable Title Insurance Policy, (c) all roads necessary for the use of such Mortgaged Property for its intended use, which such roads shall have been completed and dedicated to public use and accepted by all Governmental Authorities and (d) parking to the extent required to comply with all Requirements of Law.

Section 5.16 Additional Survey Requirements .

With regard to construction work or any other material structural improvements or alterations related to any Mortgaged Property, to the extent requested by the Administrative Agent, promptly to commission, pay for and provide to the Administrative Agent foundation and as-built surveys (in each case, in form and substance acceptable to the Administrative Agent, in its reasonable discretion, and delivered to the Administrative Agent within one hundred and twenty (120) days of its request therefor) completed as of a date and by a surveyor reasonably acceptable to the Administrative Agent and with respect to which the Administrative Agent has received a reliance letter in form and substance acceptable to it.

Section 5.17 Regulatory Approvals .

Promptly, and at its expense, to execute and deliver, or cause to be executed and delivered, all applications, certificates, instruments, registration statements, and all other documents and papers the Administrative Agent may reasonably request and as may be required by law to acquire any consent, approval, registration, qualification or authorization of any Governmental Authority or any other Person deemed necessary or appropriate for the effective exercise of any of the rights under this Agreement.

Section 5.18 Ownership of Mortgaged Properties .

Cause each Mortgaged Property to be, at all times, owned in fee simple by the Borrower.

Section 5.19 Casualty and Condemnation .

(a) If the Borrower has knowledge of a Casualty or a Condemnation of any Mortgaged Property or any interest therein, cause the Borrower, within fifteen (15) days of obtaining such knowledge, to give notice thereof to the Administrative Agent generally describing the nature and extent of such Casualty or Condemnation.

(b) To the extent a Casualty or Condemnation occurs at such time that (i) a Default has occurred and is continuing, cause any Proceeds received by the Borrower to be paid to the Administrative Agent (or if otherwise paid to the Administrative Agent shall be retained by the Administrative Agent) as security for the Credit Party Obligations and shall not be available

under this Section 5.19 to the Borrower until the Default has been cured and all Credit Party Obligations are made fully current, (ii) an Event of Default has occurred and is continuing, cause any Proceeds to be paid to the Administrative Agent (or if otherwise paid to the Administrative Agent shall be retained by the Administrative Agent) as security for the Credit Party Obligations and shall be subject to application pursuant to the remedies available to the Administrative Agent and the Lenders under this Agreement and at law and (iii) no Default or Event of Default has occurred and is continuing, cause any Proceeds received by the Borrower (subject to Section 5.19(h)(i) pursuant to which a certain amount of Proceeds may be eligible for retention by the Borrower in certain circumstances) to be paid to the Administrative Agent (or if otherwise paid to the Administrative Agent shall be retained by the Administrative Agent) for allocation in accordance with this Section 5.19.

(c) If no Default or Event of Default has occurred and is continuing and any Mortgaged Property suffers a Casualty (which the Borrower determines, in its sole discretion after consultation with the Administrative Agent and the Lenders, can not be repaired or restored in a commercially reasonable manner) cause the Borrower to prepay, without any Prepayment Fee, the Allocated Loan Amount for such Mortgaged Property and all other amounts then due and owing or (with respect to such Mortgaged Property) accrued pursuant to this Agreement and/or the other Credit Documents in its entirety. Upon satisfaction of all obligations in connection with this subsection (c), then the Administrative Agent shall record a release of the Lien on the applicable Mortgaged Property and the related Proceeds shall be returned to the Borrower, and the Loan shall continue, as modified, with respect to the other Mortgaged Property and the balance of the Loan.

(d) If no Default or Event of Default has occurred and is continuing and any Mortgaged Property suffers a Casualty (which the Borrower determines, in its sole discretion after consultation with the Administrative Agent and the Lenders, can be repaired or restored in a commercially reasonable manner), cause the Borrower at its option to either (i) prepay, with a Prepayment Fee, the Allocated Loan Amount for such Mortgaged Property and all other amounts then due and owing or (with respect to such Mortgaged Property) accrued pursuant to this Agreement and/or the other Credit Documents; or (ii) perform a Restoration in accordance with Section 5.19(h). To the extent the Borrower elects the option described in subsection (d)(i) and the Administrative Agent confirms satisfaction of all obligations in connection with subsection (d)(i), then the Administrative Agent shall release the applicable Mortgaged Property and the related Proceeds shall be returned to the Borrower, and the Loan shall continue, as modified, with respect to the other Mortgaged Property and the balance of the Loan. To the extent the Borrower elects the option described in subsection (d)(ii), then Section 5.19(h) shall govern the release of the related Proceeds to the Borrower.

(e) If no Default or Event of Default has occurred and is continuing and any Mortgaged Property suffers a Condemnation pursuant to which (i) such Mortgaged Property is permanently expropriated; (ii) any points of ingress or egress of such Mortgaged Property to public roadways are materially and permanently impaired by expropriation so as to have a Material Adverse Effect; or (iii) a material part of such Mortgaged Property is expropriated so as to have a Material Adverse Effect, cause the Borrower to prepay, without any Prepayment Fee, the Allocated Loan Amount for such Mortgaged Property and all other amounts then due and owing or (with respect to such Mortgaged Property) accrued pursuant to this Agreement and/or the other Credit Documents in its entirety. Upon satisfaction of all obligations in connection with this subsection (e), then the Administrative Agent shall record a release of its Lien on the Mortgaged Property and the related Proceeds shall be returned to the Borrower, and the Loan

shall continue, as modified, with respect to the other Mortgaged Property and the balance of the Loan.

(f) If no Default or Event of Default has occurred and is continuing and any Mortgaged Property suffers a Condemnation which is not subject to any of the provisions of Section 5.19(e)(i)-(iii), cause the Borrower at its option to either (i) prepay, with a Prepayment Fee, the Allocated Loan Amount for such Mortgaged Property and all other amounts then due and owing or (with respect to such Mortgaged Property) accrued pursuant to this Agreement and/or the other Credit Documents; or (ii) perform a Restoration in accordance with Section 5.19(h). To the extent the Borrower elects the option described in subsection (f)(i) and the Administrative Agent confirms satisfaction of all obligations in connection with subsection (f)(i), then the Administrative Agent shall release the applicable Mortgaged Property and the related Proceeds shall be returned to the Borrower, and the Loan shall continue, as modified, with respect to the other Mortgaged Property and the balance of the Loan. To the extent the Borrower elects the option described in subsection (f)(ii), then Section 5.19(h) shall govern the release of the related Proceeds to the Borrower.

(g) Cause the Borrower to appear in any proceeding or action to negotiate, prosecute, adjust or appeal any claim for any award, compensation or insurance payment on account of any such Casualty or Condemnation and shall pay all expenses thereof. At the Borrower's reasonable request, and at the Borrower's sole cost and expense, the Administrative Agent shall participate in any such proceeding, action, negotiation, prosecution or adjustment. The Administrative Agent and the Borrower agree that this Agreement shall control the rights of the Administrative Agent and the Borrower in and to any such award, compensation or insurance payment.

(h) In the event of a Casualty under Section 5.19(d)(ii) or in the event of a Condemnation under Section 5.19(f)(ii), as applicable, cause the Borrower to, within 180 days of such Casualty or Condemnation, as applicable, or as soon thereafter as shall be reasonably practicable taking into consideration the possible need to obtain permits, commence such repair or replacement within such period, and thereafter diligently prosecute such repair or replacement of the affected Mortgaged Property (i) in the case of a Casualty, to the same or greater economic value, remaining useful life, utility, condition, operation and function as existed immediately prior to such Casualty and (ii) in the case of a Condemnation, as nearly as possible to its condition prior to such Condemnation (in each case, a " Restoration ").

(i) Any Proceeds from time to time which in the aggregate are in excess of $1,000,000 shall be turned over to the Administrative Agent (or at the Administrative Agent's election, to a trustee or escrow agent who shall be selected by the Administrative Agent and whose reasonable fees shall be paid by the Borrower); provided that the Borrower shall be entitled to keep any such Proceeds which in the aggregate are not in excess of $1,000,000 to the extent the Borrower delivers evidence reasonably satisfactory to the Administrative Agent that such amounts were previously applied to the Restoration of the affected Mortgaged Property; provided , further , the Borrower shall cause all such Proceeds which are not turned over to the Administrative Agent (or an equal amount of other funds of the Borrower) to be applied to the applicable Restoration.

(ii) Any such Proceeds held by the Administrative Agent for Restoration of any Mortgaged Property shall be made available to the Borrower upon its request (but no more frequently than once a month) as the Restoration progresses.

(iii) Prior to the disbursement of Proceeds for Restoration, the Borrower shall have delivered to the Administrative Agent the following:

(A) evidence reasonably satisfactory to the Administrative Agent of the estimated cost of Restoration;

(B) evidence reasonably satisfactory to the Administrative Agent of additional funds from the Borrower in excess of the Proceeds sufficient to complete and fully pay for the entire unpaid cost of the Restoration, free and clear of all Liens or claims of Lien; and

(C) such architect's certificates, waivers of lien, contractor's sworn statements, plats of survey and such other evidence of cost, payment and performance as the Administrative Agent may reasonably require and approve;

provided, no payment made prior to the final completion of Restoration shall exceed ninety percent (90%) of the value of the work performed from time to time, as such value shall be determined by the Administrative Agent in its reasonable judgment.

Any surplus which may remain out of the Proceeds held by the Administrative Agent after payment of all costs of the Restoration shall be paid to, and retained by the Borrower.

In no event shall a Casualty or Condemnation affect the Borrower's obligation to pay the Credit Party Obligations in accordance with the terms of this Agreement.

Section 5.20 **Payment of Obligations** . Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Credit Party or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

ARTICLE VI

NEGATIVE COVENANTS

The Borrower, on behalf of each of the Credit Parties, hereby covenants and agrees on the Closing Date and thereafter (a) for so long as this Agreement is in effect and (b) until no Note remains outstanding and unpaid and the Credit Party Obligations and all other amounts owing to the Administrative Agent or any Lender hereunder are paid in full, that (for the duration of time described in the foregoing subsections (a) and (b)) no Credit Party shall, nor shall any Credit Party cause or permit any of its Subsidiaries to:

Section 6.1 Limitation on Liens .

Create, incur, assume or suffer to exist any Lien upon any Mortgaged Property, except for (each of the following, a " Permitted Lien "):

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than ninety (90) days with respect to the North Carolina Mortgaged Property or sixty (60) days with respect to the Maryland Mortgaged Property, or which are being contested in good faith by appropriate proceedings;

(c) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or such Subsidiary;

(d) Liens in existence on the date hereof listed on Schedule 6.1(d) ; and

(e) Liens created pursuant to the Security Documents.

Section 6.2 Limitation on Fundamental Changes .

(a) Enter into any merger, consolidation or amalgamation; (b) liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); (c) engage in any Asset Disposition of all or substantially all of the property, business or assets of the Credit Parties, taken as a whole; or (d) consummate any Asset Disposition outside of the ordinary course of business, except:

(i) any Subsidiary may be merged or consolidated with or into (A) the Borrower (provided that the Borrower shall be the continuing or surviving entity), (B) any Guarantor (provided that the Guarantor shall be the continuing or surviving entity), or (C) any Subsidiary that is not a Guarantor; provided , notwithstanding the foregoing, no Guarantor may merge or consolidate with or into another Subsidiary that is not a Guarantor unless the Guarantor shall be the continuing and surviving entity;

(ii) any Guarantor may consummate Asset Dispositions in favor of the Borrower or any other Guarantor; and

(iii) any Credit Party may enter into or consummate Asset Dispositions involving solely the assets and/or Equity Interests of a Subsidiary that is neither a Guarantor nor a Material Subsidiary, and does not fall within the definition of Material Subsidiary on the dates of entry into and consummation of such Asset Disposition (as at and for the trailing four (4) consecutive fiscal quarters immediately preceding such dates); provided , that (A) such Asset Disposition could not reasonably be expected to result in a Material Adverse Effect and (B) the value of the assets, as reflected in the Consolidated financial statements for the Borrower and its Subsidiaries, subject to such Asset Disposition during any calendar year shall not exceed $25,000,000 (respecting any such Asset Disposition of Equity Interests, determined on a ratable basis equal to the percentage of Equity Interests subject to such Asset Disposition).

Section 6.3 Limitation on Transactions with Affiliates .

Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any of its Affiliates other than any such transaction (a) between a Guarantor and the Borrower or any other Guarantor which is otherwise permitted by this Agreement; or (b) entered into by the Borrower or any of its Subsidiaries which is (i) otherwise permitted under this Agreement and (ii) is in the ordinary course of business; or (c) entered into by the Borrower or any of its Subsidiaries with any of its Affiliates that are arms length transactions and that could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing provisions of this Section 6.3 to the contrary, the provisions of this Section 6.3 shall not apply to transactions listed on Schedule 6.3 or transactions expressly permitted by Section 6.2 above.

Section 6.4 Limitation on Modification of Organizational Agreements .

Amend, supplement, waive, terminate or otherwise modify, or consent or agree to any amendment, supplement, waiver, termination or other modification of or to, any of the terms of any Organizational Agreement in any manner that could reasonably be expected to have a Material Adverse Effect.

Section 6.5 Maintenance of On-Going Operations at any Mortgaged Property .

Vacate any Mortgaged Property or otherwise allow any Mortgaged Property to "go dark".

Section 6.6 Modifications .

Except with respect to the modifications addressed in Schedule 5.14 , which have been approved by the Administrative Agent, permit any modification or alteration to any Mortgaged Property to the extent (a) such would diminish in any material respect any Mortgaged Property's fair market value, economic life or utility or (b) title to any such modification or alteration would be held by any Person other than the Borrower.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1 Events of Default .

An Event of Default shall exist upon the occurrence of any of the following specified events (each an " Event of Default "):

(a) Payment . (i) The Borrower shall fail to pay any principal on the Loan or Note when due (whether at maturity, by reason of acceleration or otherwise) in accordance with the terms hereof or thereof; or (ii) the Borrower shall fail to pay any interest on the Loan or any fee or other amount payable hereunder when due (whether at maturity, by reason of acceleration or otherwise) in accordance with the terms hereof and such failure shall continue unremedied for five (5) Business Days; or (iii) any Guarantor shall fail to pay on the Guaranty in respect of any of the foregoing or in respect of any other Guaranty Obligations hereunder (after giving effect to the grace period in clause (ii)); or (iv) the Borrower or any Guarantor shall fail to pay on the Environmental Indemnity in accordance with the terms thereof and such failure shall continue unremedied for five (5) Business Days; or

(b) Misrepresentation . Any representation or warranty made or deemed made herein, in the Security Documents or in any of the other Credit Documents or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement shall prove to have been incorrect, false or misleading on or as of the date made or deemed made; or

(c) Covenant Default .

(i) Any Credit Party shall fail to perform, comply with or observe any term, covenant or agreement applicable to it contained in Sections 5.1, 5.4, 5.6 (but excluding the requirements thereunder regarding the required dates for delivery of insurance certificates, which requirements shall instead be subject to Sections 7.1(c)(ii)), 5.7, 5.9, 5.11, 5.12, 5.14 and 5.17 or Article VI hereof; or

(ii) Any Credit Party shall fail to comply with any other covenant contained in this Agreement or the other Credit Documents or any other agreement, document or instrument among any Credit Party, the Administrative Agent and the Lenders or executed by any Credit Party in favor of the Administrative Agent or the Lenders (other than as described in Sections 7.1(a) or 7.1(c)(i) above) and, with respect to this clause (ii) only, such breach or failure to comply is not cured within thirty (30) days of its occurrence; provided , however , that if the nature of such breach or failure to comply is such that the same can not reasonably be cured within such thirty (30) day period, such breach or failure to comply shall not constitute an Event of Default until the passage of an additional thirty (30) day period (such cure period in the aggregate not to exceed sixty (60) days from the date of occurrence of such breach or failure to comply) so long as such Credit Party shall within the initial thirty (30) day period commence such cure and thereafter diligently prosecute the same to completion;

(d) Indebtedness Cross-Default . (i) Any Credit Party or any of its Subsidiaries shall default in any payment of principal of or interest on any Indebtedness (other than the Loan and the Guaranty) in a principal amount outstanding of at least $15,000,000 for any Credit Party or any of its Subsidiaries in the aggregate beyond any applicable grace period, if any, provided in the instrument or agreement under which such Indebtedness was created; or (ii) any Credit Party or any of its Subsidiaries shall default in the observance or performance of any other agreement or condition relating to any Indebtedness (other than the Loan and the Guaranty) in a principal amount outstanding of at least $15,000,000 in the aggregate for the Credit Parties or any of its Subsidiaries or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to be repurchased, prepaid, deferred or redeemed (automatically or otherwise); or (iii) any Credit Party or any of its Subsidiaries shall breach or default any Secured Hedging Agreement beyond any applicable grace period (if any); or

(e) Other Cross-Defaults . Except as otherwise provided in Section 7.1(d), the Credit Parties or any of its Subsidiaries shall default in (i) the payment when due under any Material Contract or (ii) the performance or observance, of any obligation or condition of any Material Contract and, in the case of clauses (i) and (ii), such failure to make a payment or to perform or observe such other obligation or condition continues unremedied for a period of thirty (30) days

after notice of the occurrence of such default unless, but only as long as, the existence of any such default is being contested by the Credit Parties in good faith by appropriate proceedings and adequate reserves in respect thereof have been established on the books of the Credit Parties to the extent required by GAAP; provided , however , that if such default is such that the same can not reasonably be cured within such thirty (30) day period, such default shall not constitute an Event of Default until the passage of an additional thirty (30) day period (such cure period in the aggregate not to exceed sixty (60) days from the date of occurrence of such failure to make a payment or to perform or observe such other obligation or condition) so long as such Credit Party or Subsidiary shall within the initial thirty (30) day period commence such cure and thereafter diligently prosecute the same to completion; or

(f) Bankruptcy Default . (i) A Credit Party or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or a Credit Party or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against a Credit Party or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against a Credit Party or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of their assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) a Credit Party or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) a Credit Party or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing their inability to, pay its debts as they become due; or

(g) Judgment Default . (i) One or more judgments or decrees shall be entered against a Credit Party or any of its Subsidiaries involving in the aggregate a liability (to the extent not covered by insurance) of $15,000,000 or more and all such judgments or decrees shall not have been paid and satisfied, vacated, discharged, stayed or bonded pending appeal within ten (10) Business Days from the entry thereof or (ii) any injunction, temporary restraining order or similar decree shall be issued against a Credit Party or any of its Subsidiaries that, individually or in the aggregate, is reasonably likely to result in a Material Adverse Effect; or

(h) ERISA Default . The occurrence of any of the following if, individually or in the aggregate, the liability of a Credit Party or any of its Subsidiaries that could reasonably be expected to result would be $15,000,000 or more:

(i) any Person shall engage in any non-exempt Prohibited Transaction,

(ii) any failure to satisfy the minimum funding standard applicable to a Single Employer Plan for a plan year under Sections 412 and 430 of the Code or Sections 302 and 303 of ERISA , whether or not waived,

(iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA,

(iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA,

(v) a Credit Party, any of its Subsidiaries or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, any Multiemployer Plan, or

(vi) any other similar event or condition shall occur or exist with respect to a Plan; or

(i) Invalidity of Guaranty . At any time after the execution and delivery thereof, the Guaranty, for any reason other than the satisfaction in full of all Credit Party Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void, or any Credit Party shall contest the validity, enforceability, perfection or priority of the Guaranty, any Credit Document, or any Lien granted thereunder in writing or deny in writing that it has any further liability, including, without limitation, with respect to future advances by the Lenders, under any Credit Document to which it is a party; or

(j) Invalidity of Credit Documents . Any Credit Document shall fail to be in full force and effect or to give the Administrative Agent and/or the Lenders the security interests, liens, rights, powers, priority and privileges purported to be created thereby (except as such documents may be terminated or no longer in force and effect in accordance with the terms thereof, other than those indemnities and provisions which by their terms expressly survive) or any Lien shall fail to be a first priority, perfected Lien on a material portion of the Collateral; or

(k) Subordinated Debt . Any default (which is not waived or cured within the applicable period of grace) or event of default shall occur under any Subordinated Debt or the subordination provisions contained therein shall cease to be in full force and effect or shall cease to give the Lenders the rights, powers and privileges purported to be created thereby; or

(l) Uninsured Loss . Any uninsured damage to or loss, theft or destruction of any assets of the Credit Parties or their Subsidiaries shall occur that is in excess of $15,000,000; or

(m) Change of Control . (i) As a result of one (1) or more transactions after the date of this Agreement, any "person" or "group" of persons shall have "beneficial ownership" (within the meaning of Section 13(d) or 14(d) of the Exchange Act and the applicable rules and regulations thereunder) of more than thirty-five percent (35%) of the outstanding common stock of Borrower; or (ii) without limiting the generality of the foregoing, during any period of twelve (12) consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such period of twelve (12) months were directors of Borrower shall cease for any reason to constitute a majority of the board of directors of Borrower (excluding for such calculation, directors who retire (other than for reasons of a merger involving Borrower or for reasons involving any sale or transfer of assets) or who die) during any period of twelve (12)

consecutive months so long as such directors are replaced by the surviving directors during such period), provided , that the relationships among the respective shareholders of Borrower on the Closing Date shall not be deemed to constitute all or any combination of them as a "group" for purposes of clause (m)(i).

Section 7.2 Acceleration; Remedies .

Upon the occurrence and during the continuance of an Event of Default, then, and in any such event, (a) if such event is a Bankruptcy Event, automatically the Loan (with accrued interest thereon), and all other amounts under the Credit Documents shall immediately become due and payable, and (b) if such event is any other Event of Default, the following action may be taken: (i) the Administrative Agent may, or upon the written request of the Required Lenders, the Administrative Agent shall, declare the Loan (with accrued interest thereon) and all other amounts owing under this Agreement and the Credit Documents to be due and payable forthwith whereupon the same shall immediately become due and payable; and/or (ii) with the written consent of the Required Lenders, the Administrative Agent may, or upon the written request of the Required Lenders, the Administrative Agent shall, exercise such other rights and remedies as provided under the Credit Documents and under applicable law.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Section 8.1 Appointment and Authority .

Each of the Lenders hereby irrevocably appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated

to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions.

Section 8.2 Nature of Duties .

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers or other agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

Section 8.3 Exculpatory Provisions .

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Credit Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 7.2 and 9.1) or (ii) in the absence of its own gross negligence or willful misconduct.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 8.4 Reliance by the Administrative Agent .

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including, without limitation, any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of any portion of the Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have

received notice to the contrary from such Lender prior to the making of any portion of the Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.5 Notice of Default .

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided , however , that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement expressly requires that such action be taken, or not taken, only with the consent or upon the authorization of the Required Lenders, or all of the Lenders, as the case may be.

Section 8.6 Non-Reliance on the Administrative Agent and Other Lenders .

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representation or warranty to it and that no act by the Administrative Agent hereinafter taken, including, without limitation, any review of the affairs of any Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.7 Indemnification .

The Lenders agree to indemnify the Administrative Agent in its capacity hereunder and its Affiliates and their respective officers, directors, agents and employees (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective ratable portion of the Loan in effect on the date on which indemnification is sought under this Section, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Credit Party Obligations) be imposed on, incurred by or asserted against any such indemnitee in any way relating to or arising out of any Credit Document or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by any such indemnitee under or in connection with any of the foregoing; provided , however , that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting from such indemnitee's gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final and nonappealable

judgment. The agreements in this Section shall survive the termination of this Agreement and payment of the Notes and all other amounts payable hereunder.

Section 8.8 The Administrative Agent in Its Individual Capacity .

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Credit Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 8.9 Successor Administrative Agent .

The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, or an Affiliate of any such bank. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any Collateral held by the Administrative Agent on behalf of the Lenders under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such Collateral until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor the Administrative Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as the Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) the Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Credit Documents, the provisions of this Article and Section 9.5 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

Section 8.10 Collateral and Guaranty Matters .

(a) The Lenders and the Hedging Agreement Providers irrevocably authorize and direct the Administrative Agent:

(i) to release any Lien on any Collateral granted to or held by the Administrative Agent under any Credit Document (A) upon payment in full of all Credit

Party Obligations (other than contingent indemnification obligations for which no claim has been made or cannot be reasonably identified by an Indemnitee based on the then-known facts and circumstances), (B) that is transferred or to be transferred as part of or in connection with any sale or other disposition permitted under Section 6.2, or (C) subject to Section 9.1, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any Collateral granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such Collateral that is a Permitted Lien; and

(iii) to release any Guarantor from its obligations under the applicable Guaranty if such Person ceases to be a Guarantor as a result of a transaction permitted hereunder.

(b) In connection with a termination or release pursuant to this Section, the Administrative Agent shall promptly execute and deliver to the applicable Credit Party, at the Borrower's expense, all documents that the applicable Credit Party shall reasonably request to evidence such termination or release. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of Collateral, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section.

Section 8.11 Secured Hedging Agreements .

No Hedging Agreement Provider that obtains the benefits of Sections 2.11 and 7.2, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including, without limitation, the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Credit Documents. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Credit Party Obligations arising under Secured Hedging Agreements unless the Administrative Agent has received written notice of such Credit Party Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedging Agreement Provider.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Amendments, Waivers, Consents and Release of Collateral .

Neither this Agreement nor any of the other Credit Documents, nor any terms hereof or thereof may be amended, modified, extended, restated, replaced, or supplemented (by amendment, waiver, consent or otherwise) except in accordance with the provisions of this Section nor may Collateral be released except as specifically provided herein or in the Security Documents or in accordance with the provisions of this Section. The Required Lenders may or, with the consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with the Borrower written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Borrower hereunder or thereunder or (b) waive or consent to the departure from, on

such terms and conditions as the Required Lenders may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided , however , that no such amendment, supplement, modification, release, waiver or consent shall:

(a) reduce the amount or extend the scheduled date of maturity of any portion of the Loan or Note or any installment thereon, or reduce the stated rate of any interest or fee payable hereunder (except in connection with a waiver of interest at the increased post-default rate set forth in Section 2.4 which shall be determined by a vote of the Required Lenders) or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Loan Commitment, in each case without the written consent of each Lender directly affected thereby; provided that, it is understood and agreed that (i) no waiver, reduction or deferral of a mandatory prepayment required pursuant to Section 2.3(b), nor any amendment of Section 2.3(b) or the definition of Asset Disposition, shall constitute a reduction of the amount of, or an extension of the scheduled date of, the scheduled date of maturity of, or any installment of, any portion of the Loan or Note and (ii) any reduction in the stated rate of interest on the Loan shall only require the written consent of each Lender holding a portion of the outstanding Loan; or

(b) amend, modify or waive any provision of this Section or reduce the percentage specified in the definition of Required Lenders, without the written consent of all the Lenders; or

(c) release the Borrower or all or substantially all of the Guarantors from obligations under the Guaranty, without the written consent of all of the Lenders and Hedging Agreement Providers; or

(d) release all or substantially all of the Collateral without the written consent of all of the Lenders and Hedging Agreement Providers; or

(e) subordinate any portion of the Loan to any other Indebtedness without the written consent of all of the Lenders; or

(f) subordinate the liens of the Administrative Agent in the Collateral to any other liens in the Collateral (other than Permitted Liens) without the written consent of all of the Lenders; or

(g) permit the Borrower to assign or transfer any of its rights or obligations under this Agreement or other Credit Documents without the written consent of all of the Lenders; or

(h) amend, modify or waive any provision of the Credit Documents requiring consent, approval or request of the Required Lenders or all Lenders without the written consent of the Required Lenders or all the Lenders as appropriate; or

(i) amend, modify or waive (i) the order in which Credit Party Obligations are paid or (ii) the pro rata sharing of payments by and among the Lenders, in each case in accordance with Sections 2.7(a), 2.7(b) or 9.7(b) without the written consent of each Lender and each Hedging Agreement Provider directly affected thereby; or

(j) amend, modify or waive any provision of Article VIII without the written consent of the then Administrative Agent; or

(k) amend or modify the definition of Credit Party Obligations to delete or exclude any obligation or liability described therein without the written consent of each Lender and each Hedging Agreement Provider directly affected thereby; or

(l) amend the definitions of "Hedging Agreement," "Secured Hedging Agreement," or "Hedging Agreement Provider" without the consent of any Hedging Agreement Provider that would be adversely affected thereby;

provided , further , that no amendment, waiver or consent affecting the rights or duties of the Administrative Agent under any Credit Document shall in any event be effective, unless in writing and signed by the Administrative Agent, in addition to the Lenders required hereinabove to take such action.

Any such waiver, any such amendment, supplement or modification and any such release shall apply equally to each of the Lenders and shall be binding upon the Borrower, the other Credit Parties, the Lenders, the Administrative Agent and all future holders of the Notes. In the case of any waiver, the Borrower, the other Credit Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the outstanding Loan and the Notes and other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding any of the foregoing to the contrary, the consent of the Borrower and the other Credit Parties shall not be required for any amendment, modification or waiver of the provisions of Article VIII (other than the provisions of Section 8.9).

Notwithstanding the fact that the consent of all the Lenders is required in certain circumstances as set forth above, (a) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loan, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein, (b) the Required Lenders may consent to allow a Credit Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and (c) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Loan Commitment of such Lender may not be increased or extended without the consent of such Lender.

Section 9.2 Notices .

(a) Notices Generally . Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax as follows:

(i) If to the Borrower or any other Credit Party:

United Therapeutics Corporation
1040 Spring Street
Silver Spring, Maryland 20910
Attention: John Ferrari
Telephone: 240-821-1729
Fax: 301-608-3049
Email: jferrari@unither.com

with a copy to:

United Therapeutics Corporation
1735 Connecticut Avenue, N.W.
Washington, District of Columbia 20009
Attention: Paul Mahon, General Counsel
Telephone: 202-483-7000
Fax: 202-483-4005
Email: paul@unither.com

(ii) If to the Administrative Agent:

Wells Fargo Bank, National Association, as the Administrative Agent
301 South College Street, 8th Floor
Charlotte, North Carolina 28288
Attention: John D. Altmeyer
Telephone: 704-715-8122
Fax: 704-383-3556
Email: jack.altmeyer@wachovia.com

with a copy to:

Moore & Van Allen, PLLC
100 North Tryon Street, 47 th Floor
Charlotte, North Carolina 28202
Attention: W. Miller Abernethy, Jr.
Telephone: 704-331-1069
Fax: 704-378-2069
Email: millerabernethy@mvalaw.com

(iii) if to a Lender, to it at its address (or fax number) set forth on the signature page for such Lender to this Agreement or otherwise as forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications . Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including, without limitation, email and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc . Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.3 No Waiver; Cumulative Remedies .

No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 9.4 Survival of Representations and Warranties .

All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes and the making of the Loan; provided that all such representations and warranties shall terminate on the date upon which the Loan Commitment has been terminated and all Credit Party Obligations have been paid in full.

Section 9.5 Payment of Expenses and Taxes; Indemnity .

(a) Costs and Expenses . The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including, without limitation, the reasonable fees, charges and disbursements of outside counsel for the Administrative Agent) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender (including, without limitation, the reasonable fees, charges and disbursements of any outside counsel for the Administrative Agent or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Credit Documents, including, without limitation, its rights under this Section, or (B) in connection with the Loan made hereunder, including, without limitation, all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan.

(b) Indemnification by the Borrower . The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of any of

the foregoing Persons (each such Person being called an " Indemnitee ") against, and hold each Indemnitee harmless from, any and all actual losses, third-party claims, penalties, damages, liabilities and related but reasonable expenses (including, without limitation, the reasonable fees, charges and disbursements of any outside counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Credit Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any liability under Environmental Law related in any way to any Credit Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, penalties, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, willful misconduct, or intentional bad acts of such Indemnitee, or any material breach by such Indemnitee of this Agreement or any other Credit Document.

c) Reimbursement by Lenders . To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Loan Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

(d) Waiver of Consequential Damages, Etc . To the fullest extent permitted by applicable law, the Credit Parties shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

(e) Payments . All amounts due under this Section shall be payable promptly, but in any event not later than five (5) Business Days after written demand therefor.

(f) Survival . The agreements contained in this Section shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Loan Commitment and the repayment, satisfaction or discharge of the Credit Party Obligations.

Section 9.6 Successors and Assigns; Participations .

(a) Successors and Assigns Generally . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder or under any of the other Credit Documents without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders . Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Loan Commitment and the portion of the Loan at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts .

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Loan Commitment and the portion of the Loan at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Loan Commitment (which for this purpose includes the Loan outstanding thereunder) or, if the applicable Loan Commitment is not then in effect, the principal outstanding balance of the portion of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts . Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Loan Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Tranches on a non-pro rata basis.

(iii) Required Consents . No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund or (z) the primary syndication of the Loan has not been completed as determined by Wells Fargo; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received written notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of a Loan Commitment to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption . The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to a Credit Party . No such assignment shall be made to any Credit Party or any Credit Party's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons . No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 2.12 and 9.5 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register . The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Charlotte, North Carolina a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Loan Commitments of, and principal amounts of the portion of the Loan owing to, each Lender pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any

reasonable time and from time to time upon reasonable prior notice; provided that a Lender shall only be entitled to inspect its own entry in the Register and not that of any other Lender.

(d) Participations . Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or any Credit Party or any Credit Party's Affiliates or Subsidiaries) (each, a " Participant ") in all or a portion of such Lender's rights and/or obligations under this Agreement (including, without limitation, all or a portion of its Loan Commitment and/or the portion of the Loan owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that affects such Participant. Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 2.12 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.7 as though it were a Lender, provided such Participant agrees to be subject to Section 2.7 as though it were a Lender.

(e) Limitations upon Participant Rights . A Participant shall not be entitled to receive any greater payment under Sections 2.10, 2.11 and 2.12 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.12 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.12 as though it were a Lender.

(f) Certain Pledges . Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.7 [Intentionally Deleted].

Section 9.8 Table of Contents and Section Headings .

The table of contents and the Section and subsection headings herein are intended for convenience only and shall be ignored in construing this Agreement.

Section 9.9 Counterparts; Integration; Effectiveness; Electronic Execution .

(a) Counterparts; Integration; Effectiveness . This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Credit Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when (i) it shall have been executed by the Borrower, the Lenders (other than those executing a Lender Consent) and the Administrative Agent, on behalf of itself and the applicable Lenders pursuant to each such Lender's Lender Consent and the Administrative Agent shall have received copies hereof and thereof (faxed or otherwise); (ii) the Administrative Agent shall have received Lender Consents from each applicable Lender in accordance with Section 9.21; and (iii) the other conditions precedent set forth in Section 4.1 are satisfied, waived or reclassified as post-closing conditions, and thereafter this Agreement shall be binding upon and inure to the benefit of the Borrower, the Guarantors, the Administrative Agent and each Lender and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page of this Agreement by fax or email shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments . The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.10 Severability .

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.11 Integration .

This Agreement and the other Credit Documents represent the agreement of the Borrower, the other Credit Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Borrower, the other Credit Parties, or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or therein.

Section 9.12 Governing Law .

This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Section 9.13 Consent to Jurisdiction; Service of Process and Venue .

(a) Consent to Jurisdiction . The Borrower and each other Credit Party irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York sitting state court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against the Borrower or any other Credit Party or its properties in the courts of any jurisdiction.

(b) Service of Process . Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.2. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(c) Venue . The Borrower and each other Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 9.14 Confidentiality .

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including, without limitation, any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder, under any other Credit Document or Secured Hedging Agreement or any action or proceeding relating to this Agreement, any other Credit Document or Secured Hedging Agreement or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) (i) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (ii) an investor or prospective investor in securities issued by an Approved Fund that also agrees that Information shall be used solely for the purpose of evaluating an investment in such securities issued by the Approved Fund, (iii) a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in connection with the administration, servicing and reporting on the assets serving as collateral for securities issued by an Approved Fund, or (iv) a nationally recognized rating agency that requires access to information

regarding the Credit Parties, the Loan and Credit Documents in connection with ratings issued in respect of securities issued by an Approved Fund (in each case, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, " Information " means all information received from any Credit Party or any of its Subsidiaries relating to any Credit Party or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Credit Party or any of its Subsidiaries; provided that, in the case of information received from any Credit Party or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 9.15 Acknowledgments .

The Borrower and the other Credit Parties each hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of each Credit Document;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrower or any other Credit Party arising out of or in connection with this Agreement and the relationship between the Administrative Agent and the Lenders, on one hand, and the Borrower and the other Credit Parties, on the other hand, in connection herewith is solely that of creditor and debtor; and

(c) no joint venture exists among the Lenders and the Administrative Agent or among the Borrower, the Administrative Agent or the other Credit Parties and the Lenders.

Section 9.16 Waivers of Jury Trial; Waiver of Consequential Damages .

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.17 Patriot Act Notice .

Each Lender and the Administrative Agent (for itself and not on behalf of any other party) hereby notifies the Borrower that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower and the other Credit Parties, which information includes the name and address of the Borrower and the other Credit Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower and the other Credit Parties in accordance with the Patriot Act.

Section 9.18 Resolution of Drafting Ambiguities .

Each Credit Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of this Agreement and the other Credit Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

Section 9.19 Subordination of Intercompany Debt .

Each Credit Party agrees that all intercompany Indebtedness among Credit Parties (the " Intercompany Debt ") is subordinated in right of payment, to the prior payment in full of all Credit Party Obligations. Notwithstanding any provision of this Agreement to the contrary, provided that no Default or Event of Default has occurred and is continuing, Credit Parties may make and receive payments with respect to the Intercompany Debt to the extent otherwise permitted by this Agreement; provided that in the event of and during the continuation of any Default or Event of Default, no payment shall be made by or on behalf of any Credit Party on account of any Intercompany Debt. In the event that any Credit Party receives any payment of any Intercompany Debt at a time when such payment is prohibited by this Section, such payment shall be held by such Credit Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the Administrative Agent.

Section 9.20 Continuing Agreement .

This Agreement shall be a continuing agreement and shall remain in full force and effect until all Credit Party Obligations (other than those obligations that expressly survive the termination of this Agreement) have been paid in full and all Loan Commitments have been terminated. Upon termination, the Credit Parties shall have no further obligations (other than those obligations that expressly survive the termination of this Agreement) under the Credit Documents and the Administrative Agent shall, at the request and expense of the Borrower, deliver all the Collateral in its possession to the Borrower and release all Liens on the Collateral; provided that should any payment, in whole or in part, of the Credit Party Obligations be rescinded or otherwise required to be restored or returned by the Administrative Agent or any Lender, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, then the Credit Documents shall automatically be reinstated and all Liens of the Administrative Agent shall reattach to the Collateral and all amounts required to be restored or returned and all costs and expenses incurred by the Administrative Agent or any Lender in connection therewith shall be deemed included as part of the Credit Party Obligations.

Section 9.21 Lender Consent .

Each Person signing a Lender Consent (a) approves the Credit Agreement, (b) authorizes and appoints the Administrative Agent as its agent in accordance with the terms of Article VIII, (c) authorizes the Administrative Agent to execute and deliver this Agreement on its behalf, (d) is a Lender hereunder

and therefore shall have all the rights and obligations of a Lender under this Agreement as if such Person had directly executed and delivered a signature page to this Agreement and (e) has consented to, approved or accepted or is satisfied with, each document or other matter required under Section 4.1 to be consented to or approved by or be acceptable or satisfactory to a Lender.

Section 9.22 Press Releases and Related Matters .

The Credit Parties and their Affiliates agree that they will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Credit Documents without the prior written consent of such Person, unless (and only to the extent that) the Credit Parties or such Affiliate is required to do so under law and then, in any event, the Credit Parties or such Affiliate will consult with such Person before issuing such press release or other public disclosure. The Credit Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated by this Agreement and the Credit Documents using the name, product photographs, logo or trademark of the Credit Parties. The Credit Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated by this Agreement and the Credit Documents using the name or logo of the Borrower.

Section 9.23 Appointment of Borrower .

Effective as of the date of execution and delivery of the Guaranty Agreement or a Joinder Agreement (as applicable), each of the Guarantors is hereby deemed to have appointed the Borrower to act as its agent for all purposes under this Agreement and to have agreed that (a) the Borrower may execute such documents on behalf of such Guarantor as the Borrower deems appropriate in its sole discretion and each Guarantor shall be obligated by all of the terms of any such document executed on its behalf, (b) any notice or communication delivered by the Administrative Agent or the Lender to the Borrower shall be deemed delivered to each Guarantor and (c) the Administrative Agent or the Lenders may accept, and be permitted to rely on, any document, instrument or agreement executed by the Borrower on behalf of each Guarantor.

Section 9.24 No Advisory or Fiduciary Responsibility .

In connection with all aspects of each transaction contemplated hereby, each of the Credit Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) the credit facility provided for hereunder and any related arranging or other services in connection therewith (including, without limitation, in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Credit Parties and their Affiliates, on the one hand, and the Administrative Agent and WFS, on the other hand, and the Credit Parties are capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including, without limitation, any amendment, waiver or other modification hereof or thereof); (b) in connection with the process leading to such transaction, the Administrative Agent and WFS each is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for any Credit Party or any of their Affiliates, stockholders, creditors or employees or any other Person; (c) neither the Administrative Agent nor WFS has assumed or will assume an advisory, agency or fiduciary responsibility in favor of any Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including, without limitation, with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or WFS has advised or is currently advising any Credit Party or any of its Affiliates on other matters) and neither the Administrative Agent nor WFS has any obligation to any Credit Party or any of their Affiliates with

respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; (d) the Administrative Agent and WFS and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Credit Parties and their Affiliates, and neither the Administrative Agent nor WFS has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (e) the Administrative Agent and WFS have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including, without limitation, any amendment, waiver or other modification hereof or of any other Credit Document) and the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Credit Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or WFS with respect to any breach or alleged breach of agency or fiduciary duty.

Section 9.25 Responsible Officers .

The Administrative Agent and each of the Lenders are authorized to rely upon the continuing authority of the Responsible Officers with respect to all matters pertaining to the Credit Documents including, without limitation, but not limited to, the selection of interest rates, the submission of requests for Extensions of Credit and certificates with regard thereto. Such authorization may be changed only upon written notice to the Administrative Agent and evidence, reasonably satisfactory to the Administrative Agent, of the authority of the Person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by the Administrative Agent (or such earlier time as agreed to by the Administrative Agent).

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by its proper and duly authorized officers as of the day and year first above written.

BORROWER :

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By: /s/ John M. Ferrari
Name: John M. Ferrari
Title: Chief Financial Officer & Treasurer

[signature pages continue]

LENDERS :

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Weston R. Garrett
Name: Weston R. Garrett
Title: Director

Address:

301 South College Street
Charlotte, NC 28288
Attention: John D. Altmeyer
Fax: (704) 383-3556
Email: jackaltmeyer@wachovia.com

[signature pages continue]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Lynette M. Songy
Name: Lynette M. Songy
Title: Senior Vice President

Address:

888 Bestgate Road
Annapolis, MD 21401
Attention:
Telephone: 410-972-4443
Fax: 312-453-2878
Email: lyn.songy@baml.com

[signature pages continue]

ADMINISTRATIVE AGENT :

WELLS FARGO BANK, NATIONAL ASSOCIATION , as a Lender and as the Administrative Agent on behalf of the Lenders

By: /s/ Weston R. Garrett
Name: Weston R. Garrett
Title: Director

[signature pages end]

SCHEDULE 1.0

ALLOCATED LOAN AMOUNT

Property Constituting Collateral	Loan Amount Per Property	Percentage of Loan Amount
1040 Spring Street, Silver Spring, Montgomery County, MD	$ 29,000,000.00	41.43%
55 T.W. Alexander Drive, Durham, Durham County, NC	$ 41,000,000.00	58.57%
	$ 70,000,000.00	100.00%

SCHEDULE 1.1

LOAN COMMITMENT PERCENTAGE

Lender		Loan Amount	Loan Percentage
Wells Fargo Bank, National Association	$	50,000,000.00	71.43%
Bank of America, N.A.	$	20,000,000.00	28.57%
	$	70,000,000.00	100.00%

SCHEDULE 2.1

PRINCIPAL AMORTIZATION OF LOAN

Interest Period	Principal Balance	Principal Amortization
On Closing Date	$ 70,000,000.00	$ 0.00
12 Months After Closing Date	$ 68,929,130.62	$ 1,070,869.38
24 Months After Closing Date	$ 67,780,848.01	$ 1,148,282.61
36 Months After Closing Date	$ 66,549,555.95	$ 1,231,292.06
48 Months After Closing Date	$ 0.00	$ 66,549,555.95

The above referenced schedule for Principal Amortization of Loan encompasses the following with respect to each of the two properties, respectively, comprising the Collateral for the Loan.

Montgomery County, Maryland Property

Interest Period	Principal Balance	Principal Amortization
On Closing Date	$ 29,000,000.00	$ 0.00
12 Months After Closing Date	$ 28,556,354.11	$ 443,645.89
24 Months After Closing Date	$ 28,080,637.03	$ 475,717.08
36 Months After Closing Date	$ 27,570,530.32	$ 510,106.71
48 Months After Closing Date	$ 0.00	$ 27,570,530.32

Durham County, North Carolina Property

Interest Period	Principal Balance	Principal Amortization
On Closing Date	$ 41,000,000.00	$ 0.00
12 Months After Closing Date	$ 40,372,776.51	$ 627,223.49
24 Months After Closing Date	$ 39,700,210.98	$ 672,565.53
36 Months After Closing Date	$ 38,979,025.63	$ 721,185.35
48 Months After Closing Date	$ 0.00	$ 38,979,025.63

Schedule 3.1

Material Obligations/Material Dispositions

1. Aircraft Lease (S/N 648) between Wilmington Trust Company, as lessor, and United Therapeutics Corporation, as lessee, dated as of October 7, 2010.

2. Agreement and Plan of Merger among Lung Rx, LLC, LRX Merger Sub, Inc., and United Therapeutics Corporation, as parent guarantor, Immuneworks, Inc., and Wade A. Lange, as stockholder representative, dated as of June 9, 2010.

3. Development Agreement between Immuneworks, Inc., and Lung Rx, LLC, dated as of February 5, 2010.

4. Lease between Gestion 965 John Inc., as lessor, and Unither Biotech Inc., as lessee, dated as of February 3, 2010 (office space lease).

5. Lease between George J. Stoklas, as lessor, and United Therapeutics Corporation, successor in interest to Unither Telemedicine Services Corporation, as lessee, dated as of July 1, 2001, and amended as of February 10, 2009, and May 1, 2010 (office space lease).

Schedule 3.6

No Material Litigation

1. In re United Therapeutics Corp. Derivative Litigation, Court of Chancery for the State of Delaware, Consolidated Civil Action No. 4946-CC

Per United Therapeutics' Quarterly Report on Form 10-Q for the period ending September 30, 2010, as filed via EDGAR on October 28, 2010 (pages 17-18 and 31):

> As previously disclosed in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010, purported shareholders Jeffrey Benison IRA, the Retirement Board of Allegheny County and the Police & Fire Retirement System of the City of Detroit jointly filed a consolidated amended derivative complaint on May 4, 2010 against certain of our directors and named executive officers and us as a nominal defendant. The complaint alleged, among other things, that the individual defendants breached their fiduciary duties to the Company in connection with the adoption of the STAP, the 2008 modification of awards granted under the STAP and the exchange of certain stock options granted under our Amended and Restated Equity Incentive Plan. The plaintiffs sought unspecified monetary damages, purportedly for United Therapeutics Corporation, as well as attorneys' fees and costs and injunctive relief.
>
> On October 25, 2010, the parties entered into a stipulation of settlement. The stipulation provides among other things that, in consideration for the full settlement and release of all of the plaintiffs' claims, we will: (i) not reprice awards granted under our Amended and Restated Equity Incentive Plan or the STAP in the future without shareholder approval, (ii) cancel 165,214 options granted to our Chief Executive Officer, and (iii) adopt certain corporate governance practices. In connection with the settlement, plaintiffs' counsel will seek an award of attorneys' fees from us. The parties have not agreed on the amount of fees, if any, to be awarded to plaintiffs' counsel, but resolution of this issue is not a condition to settling the claims. The parties will continue to negotiate over attorneys' fees and, if they do not reach an agreement, will seek a decision from the court on this issue. The stipulation of settlement and any proposed award of fees to the plaintiffs' counsel will be subject to court approval. The court has scheduled a hearing for January 21, 2011 to consider whether to approve the settlement and any proposed fee award. The court also approved the form of Notice of Pendency and Settlement of Action, which is filed as Exhibit 99.1 to this Quarterly Report on Form 10-Q. There can be no assurance that the stipulation of settlement or the fee award, if any, agreed upon by the parties, will be approved by the court. The contemplated settlement is not expected to have a material impact on our statements of financial position or operations.

2. Lifewatch Services, Inc., and Card Guard Scientific Survival, Ltd. v. Medicomp, Inc., and United Therapeutics Corporation, Case No. 6:09-cv-1909-Orl-31DAB

Nature of the Litigation . On November 6, 2009, Lifewatch Services, Inc. and Card Guard Scientific Survival, Ltd. (together, "Lifewatch") filed a complaint for patent infringement against

Medicomp, Inc., a wholly-owned subsidiary of United Therapeutics Corporation ("Medicomp"). Lifewatch claims that Medicomp's wireless event monitor device, the CardioPal SAVI wireless, infringes certain claims contained in two patents owned by Lifewatch (U.S. Patent Nos. 7,542,878 B2 and 5,730,143). In addition to its complaint for patent infringement, on November 10, 2009, Lifewatch filed a Motion for Preliminary Injunction to prevent Medicomp from providing services with or selling the CardioPal SAVI wireless device while the patent infringement lawsuit is pending. Lifewatch is seeking to prevent Medicomp from using the device with its event monitoring clients, unspecified damages, other unspecified costs and expenses, and attorneys' fees and other costs related to litigation.

Progress of the Litigation to Date . Shortly after the lawsuit was filed, Medicomp requested an extension of time to respond to the preliminary injunction motion and in return agreed to delay commercial launch of the CardioPal SAVI wireless device (which was scheduled for January 2010) until the Court ruled on the Motion for Preliminary Injunction. On December 16, 2009, we filed an answer to the complaint and a counterclaim seeking a declaratory judgment that the asserted patent claims were not infringed, were invalid and/or unenforceable. On December 16, 2009, we also filed a response to the Motion for Preliminary Injunction. On January 29, 2010, a hearing on the Motion for Preliminary Injunction was held, and on February 10, 2010 the judge denied Lifewatch's Motion for Preliminary Injunction. We subsequently requested and were granted a stay of the litigation pending the outcome of reexaminations of all claims of both patents-in-suit by the United States Patent and Trademark Office. The litigation remains stayed and the reexaminations of both patents-in-suit are pending at this time.

Schedule 3.15

Subsidiaries

1. Lung Rx, LLC, a Delaware limited liability company.
2. LRX Merger Sub, Inc., a Delaware corporation.
3. Unither Pharmaceuticals, LLC, a Delaware limited liability company.
4. Unither Telmed, Ltd., a Delaware limited corporation.
5. Unither.com, Inc., a Delaware corporation.
6. Unither Pharma, LLC, a Delaware limited liability company.
7. Medicomp, Inc., a Delaware corporation.
8. Unither Neurosciences, Inc., a Delaware corporation.
9. Unither Virology, LLC, a Delaware limited liability company.
10. United Therapeutics Europe, Ltd., a U.K. corporation.
11. LungRx Limited (Private Limited Company), a U.K. corporation.
12. Unither Biotech, Inc., a Canadian corporation.
13. Unither Therapeutik GmbH, a German corporation.

Schedule 3.17

Security Documents

Filing	Office
Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing	Land Records Division, Montgomery County Circuit Court, Montgomery County, Maryland
Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing	Durham County Registry, Durham County, North Carolina
UCC Financing Statement	Delaware Secretary of State
UCC Financing Statement	Land Records Division, Montgomery County Circuit Court, Montgomery County, Maryland
UCC Financing Statement	Durham County Registry, Durham County, North Carolina

Schedule 3.20

Patriot Act Information

Exact Legal Name:	United Therapeutics Corporation
State of Incorporation:	Delaware (June 26, 1996, as Lung Rx, Inc.)
Type of Organization:	General Corporation
States in which Qualified to do Business:	DE, MD, FL, DC, NC, LA
Chief Executive Office/ Principal Place of Business:	1040 Spring Street, Silver Spring, Maryland
Business Phone No.:	(301) 608-9292
Organization I.D. No.:	DE File No. 2638178
Federal Employer I.D. No.:	52-1984749
Ownership:	Publicly Held

Schedule 3.23(j)

Information Regarding Mortgaged Properties

1. 1040 Spring Street, Silver Spring, Montgomery County, Maryland

2. 55 T.W. Alexander Drive, Durham, Durham County, North Carolina(1)

(1) Address refers to improved 34.85 acre parcel.

Schedule 3.23(k)

Insurance

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 12/16/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	PHONE (A/C, No, Ext): (866) 283-7122	FAX (A/C, No.): (847) 953-5390
	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID #: 10242617	

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
United Therapeutics Corp. 1735 Connecticut Avenue NW Washington DC 20009 USA	INSURER A: Federal Insurance Company	20281
	INSURER B: Chubb Indemnity Insurance Co.	12777
	INSURER C: Columbia Casualty Company	31127
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 570041040930 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			[***]	11/01/2010	11/01/2011	EACH OCCURRENCE	$[***]
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$[***]
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$[***]
							PERSONAL & ADV INJURY	$[***]
							GENERAL AGGREGATE	$[***]
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	[***]
	X POLICY PRO-JECT LOC							
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	
	ANY AUTO						BODILY INJURY (Per person)	
	ALL OWNED AUTOS						BODILY INJURY (Per accident)	
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	
	HIRED AUTOS							
	NON OWNED AUTOS							
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	
	DEDUCTIBLE							
	RETENTION							
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			[***]	11/01/2010	11/01/2011	X WC STATU-TORY LIMITS OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? N N/A						E.L. EACH ACCIDENT	$[***]
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE	$[***]
							E.L. DISEASE-POLICY LIMIT	$[***]
C	Products Liab			[***] Products/Prof. Liab. SIR applies per policy terms & conditions	11/01/2010	11/01/2011	Per Claim Aggregate	$[***] $[***]

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Location: 1040 Spring Street, Silver Spring, MD.
General Liability policy includes Contractual Liability coverage. Certificate Holder is included as additional insured ATIMA as regards General Liability policy. A waiver of Subrogation is granted in favor of the Certificate Holder.

CERTIFICATE HOLDER

Wells Fargo Bank
National Association
As the Administrative Agent
Attn: John D. Altmeyer
301 South College Street, 8th Floor
Charlotte NC 28288 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast Inc.

Holder Identifier :

Certificate No : 570041040930

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY): 12/16/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Holder Identifier :

PRODUCER	CONTACT NAME:	
Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (847) 953-5390
	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID #: 10242617	

INSURED	INSURER(S) AFFORDING COVERAGE		NAIC #
United Therapeutics Corp. 1735 Connecticut Avenue NW Washington DC 20009 USA	INSURER A:	Federal Insurance Company	20281
	INSURER B:	Chubb Indemnity Insurance Co.	12777
	INSURER C:	Columbia Casualty Company	31127
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: 570041040559 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			[***]	11/01/2010	11/01/2011	EACH OCCURRENCE	$[***]
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$[***]
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$[***]
							PERSONAL & ADV INJURY	$[***]
							GENERAL AGGREGATE	$[***]
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	[***]
	X POLICY PRO-JECT LOC							
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	
	ANY AUTO						BODILY INJURY (Per person)	
	ALL OWNED AUTOS						BODILY INJURY (Per accident)	
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	
	HIRED AUTOS							
	NON OWNED AUTOS							
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	
	DEDUCTIBLE							
	RETENTION							
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N N	N/A	[***]	11/01/2010	11/01/2011	X WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$[***]
							E.L. DISEASE-EA EMPLOYEE	$[***]
							E.L. DISEASE-POLICY LIMIT	$[***]
C	Products Liab			[***] Products/Prof. Liab. SIR applies per policy terms & conditions	11/01/2010	11/01/2011	Per Claim Aggregate	$[***] $[***]

Certificate No : 570041040559

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Location: 55 TW Alexander Drive, Durham, NC.
General Liability policy includes Contractual Liability coverage. Certificate Holder is included as additional insured ATIMA as regards General Liability policy. A Waiver of Subrogation is granted in favor of the Certificate Holder.

CERTIFICATE HOLDER	CANCELLATION
Wells Fargo Bank National Association As the Administrative Agent Attn: John D. Altmeyer 301 South College Street, 8th Floor Charlotte NC 28288 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE *Aon Risk Services Northeast Inc.*

ACORD

EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY) 12/20/2010

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE OF PROPERTY INSURANCE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

AGENCY	PHONE (A/C, NO, Ext)	COMPANY
Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	(866) 283-7122	Lexington Insurance Company
FAX (A/C No): (847) 953-5390	E-MAIL ADDRESS:	
CODE:	SUB CODE:	
AGENCY CUSTOMER ID #: 10242617		

INSURED	LOAN NUMBER	POLICY NUMBER [***]
United Therapeutics Corp. 1735 Connecticut Avenue NW Washington DC 20009 USA	EFFECTIVE DATE 11/01/2010	EXPIRATION DATE 11/01/2011 — CONTINUED UNTIL TERMINATED IF CHECKED ☐
	THIS REPLACES PRIOR EVIDENCE DATED:	

Holder Identifier :

Certificate No : 570041060194

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Location: 1040 Spring Street, Silver Spring, MD

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Commercial Property Coverage Loss Limit	$ [***]	$ [***]
Blanket Real Prop	[***]	
Blanket Personal Prop	[***]	
BI & EE	[***]	

REMARKS (Including Special Conditions)

Valuation: Replacement Cost.
Certificate Holder is included as Mortgage and Lender Loss Payee as required by written contract.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 0 DAYS WRITTEN NOTICE TO THE ADDITIONAL INTEREST NAMED BELOW, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER,ITS AGENTS OR REPRESENTATIVES.

ADDITIONAL INTEREST

NAME AND ADDRESS				
Wells Fargo Bank National Association As the Administrative Agent Attn: John D. Altmeyer 301 South College Street, 8th Floor Charlotte NC 28288 USA	X	MORTGAGEE		ADDITIONAL INSURED
	X	LOSS PAYEE	X	Lender Loss Pay
	LOAN #			
	AUTHORIZED REPRESENTATIVE		Aon Risk Services Northeast, Inc.	

ACORD 27 (2006/07)

ACORD

EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY): 12/20/2010

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE OF PROPERTY INSURANCE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

AGENCY: Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	COMPANY: Lexington Insurance Company
PHONE (A/C, NO, Ext): (866) 283-7122	
FAX (A/C No): (847) 953-5390	E-MAIL ADDRESS:
CODE:	SUB CODE:
AGENCY CUSTOMER ID #: 10242617	
INSURED: United Therapeutics Corp. 1735 Connecticut Avenue NW Washington DC 20009 USA	LOAN NUMBER:
	POLICY NUMBER: [***]
	EFFECTIVE DATE: 11/01/2010
	EXPIRATION DATE: 11/01/2011
	CONTINUED UNTIL TERMINATED IF CHECKED: ☐
	THIS REPLACES PRIOR EVIDENCE DATED:

Holder Identifier :

Certificate No : 570041060189

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Location: 55 TW Alexander Drive, Durham, NC.

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGES/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Commercial Property Coverage Loss Limit	$ [***]	$ [***]
Blanket Real Prop	[***]	
Blanket Personal Prop	[***]	
BI & EE	[***]	

REMARKS (Including Special Conditions)

Valuation: Replacement Cost.
Certificate Holder is included as Mortgagee and Lender Loss Payee as required by written contract.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 0 DAYS WRITTEN NOTICE TO THE ADDITIONAL INTEREST NAMED BELOW, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER,ITS AGENTS OR REPRESENTATIVES.

ADDITIONAL INTEREST

NAME AND ADDRESS			
Wells Fargo Bank National Association As the Administrative Agent Attn: John D. Altmeyer 301 South College Street, 8th Floor Charlotte NC 28288 USA	X	MORTGAGEE	
	X	LOSS PAYEE	X ADDITIONAL INSURED: Lender Loss Pay
	LOAN #		
	AUTHORIZED REPRESENTATIVE		Aon Risk Services Northeast, Inc.

ACORD 27 (2006/07)

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY): 12/16/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (847) 953-5390 E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: 10242617
INSURED United Therapeutics Corp. 1735 Connecticut Avenue NW Washington DC 20009 USA	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: Chartis Specialty Insurance Company — 26883 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: 570041040575 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						EACH OCCURRENCE
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)
	CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)
							PERSONAL & ADV INJURY
							GENERAL AGGREGATE
	GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)
	☐ ANY AUTO						BODILY INJURY (Per person)
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident)
	☐ SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)
	☐ HIRED AUTOS						
	☐ NON OWNED AUTOS						
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE
	☐ DEDUCTIBLE						
	☐ RETENTION						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						☐ WC STATU-TORY LIMITS ☐ OTH-ER
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N/A						E.L. EACH ACCIDENT
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE
							E.L. DISEASE-POLICY LIMIT
A	Poll Legal Liab			[***]	10/31/2006	11/01/2016	Aggregate $[***] SIR [***]

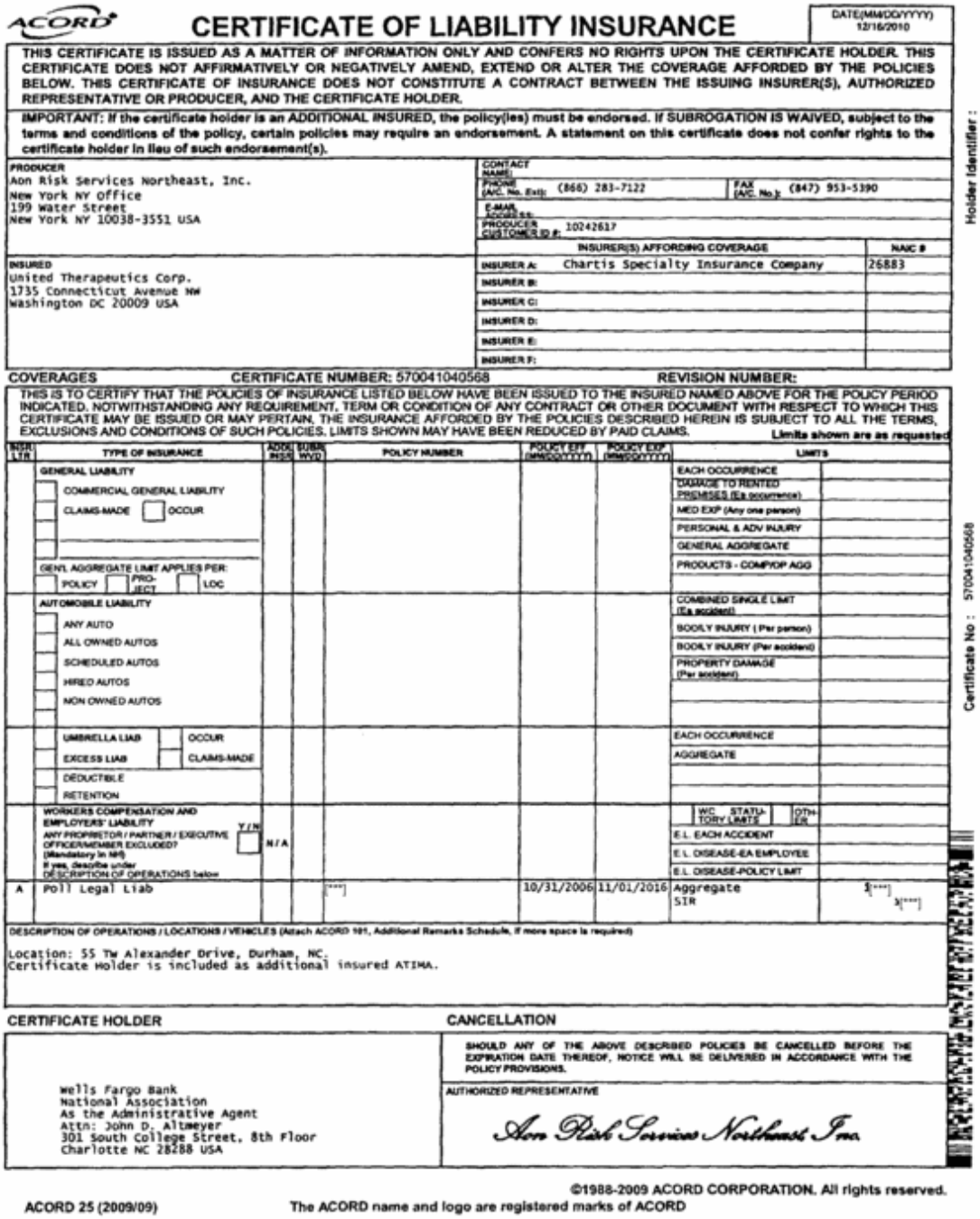
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Location: 1040 Spring Street, Silver Spring, MD.
Certificate Holder is included as additional insured ATIMA.

CERTIFICATE HOLDER	CANCELLATION
Wells Fargo Bank National Association As the Administrative Agent Attn: John D. Altmeyer 301 South College Street, 8th Floor Charlotte NC 28288 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Aon Risk Services Northeast Inc.

Holder Identifier :

Certificate No : 570041040575



ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 12/16/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services Northeast, Inc.
New York NY Office
199 Water Street
New York NY 10038-3551 USA

CONTACT NAME:
PHONE (A/C, No, Ext): (866) 283-7122 FAX (A/C, No): (847) 953-5390
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #: 10242617

INSURER(S) AFFORDING COVERAGE — NAIC #

INSURED
United Therapeutics Corp.
1735 Connecticut Avenue NW
Washington DC 20009 USA

INSURER A: Chartis Specialty Insurance Company — 26883
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES CERTIFICATE NUMBER: 570041040568 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						EACH OCCURRENCE
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)
	CLAIMS-MADE OCCUR						MED EXP (Any one person)
							PERSONAL & ADV INJURY
							GENERAL AGGREGATE
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)
	ANY AUTO						BODILY INJURY (Per person)
	ALL OWNED AUTOS						BODILY INJURY (Per accident)
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)
	HIRED AUTOS						
	NON OWNED AUTOS						
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE
	EXCESS LIAB CLAIMS-MADE						AGGREGATE
	DEDUCTIBLE						
	RETENTION						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						WC STATU-TORY LIMITS OTH-ER
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? N/A (Mandatory in NH)						E.L. EACH ACCIDENT
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE
							E.L. DISEASE-POLICY LIMIT
A	Poll Legal Liab			[***]	10/31/2006	11/01/2016	Aggregate $[***] SIR $[***]

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Location: 55 Tw Alexander Drive, Durham, NC.
Certificate Holder is included as additional insured ATIMA.

CERTIFICATE HOLDER

Wells Fargo Bank
National Association
As the Administrative Agent
Attn: John D. Altmeyer
301 South College Street, 8th Floor
Charlotte NC 28288 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast Inc.

Holder Identifier :

Certificate No : 570041040568

ACORD 25 (2009/09)

Schedule 5.14

Mortgaged Property Modifications

Maryland Mortgaged Property

The United Therapeutics project will include two office buildings, 1040 Spring Street (delivered 12/2009) and 1110 Spring Street (to be delivered 12/2011), each building being ninety feet (90') high, one on the southwest corner of Cameron Street at its intersection with Spring Street and one at the southeast corner of Cameron Street at its intersection of Spring Street. United Therapeutics has received, through the volumetric abandonment of space in air rights above the public road, rights to construct a connector across Cameron Street to connect the 6th floor of each of the two office buildings.

The building connector will be a private interior conditioned space connecting corridor spanning Cameron Street at the sixth floor between the two office buildings allowing for safe and efficient flow of people working and visiting the project across Cameron Street. This connector enables the two office buildings and the adjacent laboratory facility to function as an integrated whole, effectively transforming two small urban parcels that are divided by a public street into a viable campus for a single owner/user. Each parcel individually would be too small for United Therapeutics' project requirements; however, the sixth floor connector makes possible the efficient movement and access necessary to support the varying internal functions and requirements of a growing biotechnology company, including stringent "clean room" laboratory environmental controls. With the connector, the two sites function together to support the operational needs of the company.

North Carolina Mortgaged Property

The Phase II Facility Expansion project will expand existing operations in RTP to include additional GMP warehousing space, manufacturing/packaging space, office space, a daycare center and parking deck, along with a mechanical penthouse and various support spaces.

The expansion provides a 3-story building configuration at the Daycare/Office Area and a 2-story building configuration at the manufacturing area with roof level penthouse, all contained in approximately 184,599 square feet of space. In addition to the building expansion, this project will include converting the northern most bay of the existing packaging area currently used as offices into packaging halls (approximately 4,315 square feet). As part of this conversion, limited expansion of the existing second floor mechanical area across this third bay will be included (approximately 3,612 square feet). First and second floor connecting corridors will provide access between the existing and new areas of the facility. The total square footage of work area including new building addition, renovation of existing third bay and new mechanical platform at the second floor level of third bay is approximately 192,486 square feet.

The building expansion will also include the addition of a parking deck that will accommodate existing and future UT employee parking demand. This parking deck will accommodate approximately 388 automobiles and is expected to be of a pre-cast design and will include

ground and 4-elevated levels of parking with dual, gated entrance/exit locations, elevator and architectural features that will allow the deck to blend into the building expansion. The parking deck will be located in the area presently occupied by the north parking lots.

The intent of the design will be to provide a cGMP compliant design for the warehouse and manufacturing/packaging areas as well as architecturally blend the new building addition and parking deck with the existing building architecture and match the design features of the original building. Elements of the expansion include:

- The new GMP Warehouse will include an ASRS capable of providing approximately 2,000 pallet storage spaces. The warehouse area will also accommodate secure cage storage areas for labels, clinical and reject products.

- New shipping/receiving area with open office area.

- Eight (8) new packaging halls design with unidirectional flow of materials and low air returns in shared chases between rooms. Support spaces including a new central gowning, restrooms and shower facilities to accommodate new packaging halls and existing manufacturing area, new break room and vending area. Second floor future manufacturing space also included.

- The Daycare Center and outside playground area will be designed to accommodate up to 58 students ranging from infants to afterschool care.

- New office areas designed to accommodate approximately 190 staff that will include restroom facilities, central file storage area, data center, training room, printer room, conference rooms and various gathering seating areas and circular staircase at center of "horseshoe" communicating with all three levels.

- Roof terrace located above second floor office area.

- Rain water collection system that will be used as a source of irrigation for the site. The rain water is expected to be directed to the east side of the site and collected in a 10,000 gallon above ground tank.

- The addition of a fourth 1,000 ton chiller/cooling tower set, including chilled water pump, condenser water pump and controls, process waste neutralization system capable of processing waste from the existing facility and the new expansion and a new 100KW solar panel system planned to be installed above the upper level of the parking deck.

Schedule 6.1(d)

Existing Liens

UNITED THERAPEUTICS CORPORATION

UCC Search Results Summary

Jurisdiction	Secured Party	UCC File Number	Date Filed	Brief Description of Collateral	Searched Through
Delaware Secretary of State	U.S. Bancorp	90653003	02/27/09	1 MXM550N 85015019; 1 MXM550N 85015179; 1 MXM550N 85014289; 1MXM550N 85000837	11/22/10
Delaware Secretary of State	De Lage Landen Financial Services, Inc.	90795705	03/05/09	All right, title and interest in equipment under Master Lease Agreement dated 3/15/09 including replacements, substitutions and proceeds	11/22/10
Delaware Secretary of State	Crown Credit Company Other Debtor: Lung Rx, Inc.	90771086	03/11/09	Equipment listed on Exhibit A including replacements, accessions, substitutions and proceeds	11/22/10
Delaware Secretary of State	U.S. Bancorp	91357406	04/29/09	1 SM550N 85003747BP; 1 SM550N 85002169BP; 1 SM550N 85002179BP	11/22/10
Delaware Secretary of State	Noreast Capital Corporation	94120132	12/23/09	8 water coolers located at three locations on Spring Street in Silver Spring, Maryland	11/22/10
Delaware Secretary of State	Wilmington Trust Company, not in its individual capacity but solely as owner trustee under Trust Agreement dated April 3, 2006	03655127	10/13/10	All right, title and interest in Aircraft pursuant to Aircraft Lease Agreement (S/N 648) dated as of October 7, 2010, including logs, manuals, accounts and proceeds	11/22/10

Jurisdiction	Secured Party	UCC File Number	Date Filed	Brief Description of Collateral	Searched Through
Delaware Secretary of State	Bank of America Leasing & Capital, LLC Additional Secured Party: Wilmington Trust Company, not in its individual capacity but solely as owner trustee under Trust Agreement dated April 3, 2006	03655291	10/13/10	Security Deposit Rider to Aircraft Lease Agreement (S/N 648) dated as of October 7, 2010	11/22/10

Schedule 6.3

Permitted Affiliate Transactions

1. Intercompany transfer of Tyvaso commercial operations (including, but not limited to, inventory and selected liabilities, warranties, revenues and returns) from Lung Rx, LLC, to United Therapeutics Corporation.

2. Intercompany transfer of Adcirca commercial operations (including, but not limited to, inventory and selected liabilities, warranties, revenues and returns) from United Therapeutics Corporation to Lung Rx.

EXHIBIT 1.1(a)

FORM OF
ACCOUNT DESIGNATION NOTICE

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the "Borrower"), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

The Administrative Agent is hereby authorized to disburse the Loan proceeds into the following account, unless the Borrower shall designate, in writing to the Administrative Agent, one or more other accounts:

Bank Name: [_____]

ABA Routing Number: [_____]

Account Number: [_____]

[TO BE COMPLETED BY BORROWER]

This Account Designation Notice may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[remainder of page intentionally left blank]

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT 1.1(b)

FORM OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the " Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between **[the] [each]** Assignor identified in item 1 below (**[the] [each, an]** " Assignor ") and **[the] [each]** Assignee identified in item 2 below (**[the] [each, an]** " Assignee "). **[It is understood and agreed that the rights and obligations of [the Assignors] [the Assignees] hereunder are several and not joint.]** (1) Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the " Credit Agreement "), receipt of a copy of which is hereby acknowledged by **[the] [each]** Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, **[the] [each]** Assignor hereby irrevocably sells and assigns to **[the Assignee] [the respective Assignees]** , and **[the] [each]** Assignee hereby irrevocably purchases and assumes from **[the Assignor] [the respective Assignors]** , subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of **[the Assignor's] [the respective Assignors']** rights and obligations in **[its capacity as a Lender] [their respective capacities as Lenders]** under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of **[the Assignor] [the respective Assignors]** under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of **[the Assignor (in its capacity as a Lender)] [the respective Assignors (in their respective capacities as Lenders)]** against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by **[the] [any]** Assignor to **[the] [any]** Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as **[the] [an]** " Assigned Interest "). Each such sale and assignment is without recourse to **[the] [any]** Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by **[the] [any]** Assignor.

1 . Assignor[s]:

_____

_____

2 . Assignee[s]:

_____

_____

for each Assignee, indicate **[Affiliate] [Approved Fund]** of **[identify Lender]**

(1) Include bracketed language if there are either multiple Assignors or multiple Assignees.

3 . Borrower:

United Therapeutics Corporation, a Delaware corporation

4 . Administrative Agent:

Wells Fargo Bank, National Association, as the administrative agent under the Credit Agreement

5 . Credit Agreement:

The Credit Agreement dated as of December 27, 2010 among the Borrower, the guarantors from time to time party thereto, the lenders and other financial institutions from time to time party thereto, and Wells Fargo Bank, National Association, as Administrative Agent.

6 . Assigned Interest[s]:

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Loan Commitment/ Loans for all Lenders	Amount of Loan Commitment/ Loans Assigned	Percentage Assigned of Loan Commitment/ Loans
			$	$	%
			$	$	%
			$	$	%

[7. Trade Date: _____] (2)

Effective Date: _____, 20 _____.

[remainder of page intentionally left blank]

(2) To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR **[S]** :

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

[signature pages continue]

ASSIGNEE **[S]** :

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[signature pages continue]

[Consented to and] Accepted:]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

[signature pages continue]

[Consented to:]

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By: _____
Name: _____
Title: _____

[signature pages end]

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1 . Representations and Warranties .

1 .1 Assignor **[s]** . **[The] [Each]** Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of **[the] [the relevant]** Assigned Interest, (ii) **[the] [such]** Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1 .2. Assignee **[s]** . **[The] [Each]** Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Sections 9.6(b) (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.6(b) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of **[the] [the relevant]** Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the] [such]** Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the] [such]** Assigned Interest, and (vii) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by **[the] [such]** Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, **[the] [any]** Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2 . Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of **[the] [each]** Assigned Interest (including payments of principal, interest, fees and

---

other amounts) to **[the] [the relevant]** Assignor for amounts which have accrued to but excluding the Effective Date and to **[the] [the relevant]** Assignee for amounts which have accrued from and after the Effective Date.

3 . General Provisions . This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT 1.1(c)

FORM OF
SECURED PARTY DESIGNATION NOTICE

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

[Name of Hedging Agreement Provider] (the " Lender ") hereby notifies you, pursuant to the terms of the Credit Agreement, that the Lender meets the requirements of a Hedging Agreement Provider under the terms of the Credit Agreement and is a Hedging Agreement Provider under the Credit Agreement and the other Credit Documents.

Delivery of this Notice by telecopy shall be effective as an original.

A duly authorized officer of the undersigned has executed this Notice as of the _____day of _____, _____.

,
as a Hedging Agreement Provider

By:_____
Name:_____
Title:_____

EXHIBIT 1.1(d)

FORM OF
JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this " Agreement "), dated as of **[Month] [Day]** , **[Year]** is by and among **[NAME OF SUBSIDIARY GUARANTOR]** , a **[Jurisdiction and Type of Organization]** (the " Subsidiary Guarantor "), United Therapeutics Corporation, a Delaware corporation (the " Borrower "), and Wells Fargo Bank, National Association, in its capacity as administrative agent (in such capacity, the " Administrative Agent ") under that certain Credit Agreement, dated as of December 27, 2010 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement ") by and among the Borrower, the Guarantors, the Lenders and the Administrative Agent. Capitalized terms used herein but not otherwise defined shall have the meanings provided in the Credit Agreement.

The Subsidiary Guarantor is an Additional Credit Party, and, consequently, the Credit Parties are required by Section 5.9 of the Credit Agreement to cause the Subsidiary Guarantor to become a "Guarantor".

Accordingly, the Subsidiary Guarantor and the Borrower hereby agree as follows with the Administrative Agent, for the benefit of the Lenders:

1 . The Subsidiary Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Subsidiary Guarantor will be deemed to be a "Guarantor" under the Guaranty Agreement, the Credit Agreement and the Environmental Indemnity and shall have all of the obligations of a Guarantor thereunder as if it had executed the Guaranty Agreement, the Credit Agreement and the Environmental Indemnity. The Subsidiary Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Guaranty Agreement and the other applicable Credit Documents, including, without limitation (a) the representations and warranties (as such relate to the Subsidiary Guarantor) set forth in Sections 3.3, 3.4, 3.5, 3.19, 3.20, 3.21 and 3.22 of the Credit Agreement, (b) all of the affirmative and negative covenants set forth in Articles V and VI of the Credit Agreement, (c) the miscellaneous provisions set forth in Article IX of the Credit Agreement and (d) the provisions of the Environmental Indemnity. Without limiting the generality of the foregoing terms of this Paragraph 1, the Subsidiary Guarantor hereby guarantees, jointly and severally together with the other Guarantors, the prompt payment of the Credit Party Obligations in accordance with the Guaranty Agreement.

2 . The Subsidiary Guarantor acknowledges and confirms that it has received a copy of the Credit Documents and the schedules and exhibits to each of the foregoing as applicable.

3 . The information on Schedule A to this Joinder Agreement is true and correct as of the date hereof.

4 . The Borrower confirms that the Credit Documents are, and upon the Subsidiary Guarantor becoming a Guarantor, shall continue to be, in full force and effect. The parties hereto confirm and agree that immediately upon the Subsidiary Guarantor becoming a Guarantor the term "Credit Party Obligations," as used in the Credit Documents, shall include all obligations of the Subsidiary Guarantor under the Guaranty Agreement and under each other Credit Document.

5 . Each of the Borrower and the Subsidiary Guarantor agrees that at any time and from time to time, upon the written request of the Administrative Agent, it will execute and deliver such further documents and do such further acts as the Administrative Agent may reasonably request in accordance with the terms and conditions of the Credit Documents in order to effect the purposes of this Agreement.

6 . This Agreement (a) may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract and (b) may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

7 . This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. The terms of Sections 9.13 and 9.16 of the Credit Agreement are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Borrower and the Subsidiary Guarantor has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

SUBSIDIARY GUARANTOR:

[NAME OF SUBSIDIARY GUARANTOR], a **[Jurisdiction and Type of Organization]**

By:_____
Name:_____
Title:_____

BORROWER:

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By:_____
Name:_____
Title:_____

Acknowledged, accepted and agreed:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By:_____
Name:_____
Title:_____

Schedule A

Disclosure Information

Legal Name of Credit Party (and any previous legal names within the past four months):
State of Organization:
Jurisdictions of Organization:
Type of Organization:
Address of Chief Executive Office:
Address of Principal Place of Business:
Business Phone Number:
Organizational Identification Number(1):
Federal Tax Identification Number:
Ownership Information (e.g. publicly held, if private or partnership—identity of owners/partners):

[TO BE COMPLETED BY BORROWER/SUBSIDIARY GUARANTOR]

(1) This item does not apply to a Credit Party organized under the laws of Alabama, Indiana, Massachusetts, Nebraska, New Hampshire, New Mexico, New York, Oklahoma, South Carolina, Vermont or West Virginia.

EXHIBIT 1.1(e)

FORM OF
NOTICE OF BORROWING

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Closing Date]**

Pursuant to Section 2.1(a) of the Credit Agreement, the Borrower hereby requests the following (the " Proposed Borrowing "):

Loan to be made as follows (1):

Date	Amount	Interest Rate(2)
Closing Date	$ 70,000,000	LIBOR Rate per funding indemnity agreement

The undersigned hereby certifies that the following statements are true on the date hereof and will be true on the date of the Proposed Borrowing:

(a) The representations and warranties made by the Credit Parties in the Credit Agreement, in the Security Documents or which are contained in any certificate furnished at any time under or in connection with the Credit Agreement shall be (i) with respect to representations and warranties that contain a materiality qualification, true and correct and (ii) with respect to representations and warranties that do not contain a materiality qualification, true and correct in all material respects, in each case on and as of the date of the Proposed Borrowing as if made on and as of such date except for any representation or warranty made as of an earlier date, which representation and warranty shall remain true and correct as of such earlier date.

(b) No Default or Event of Default shall have occurred and be continuing on the date of the Proposed Borrowing or after giving effect to the Proposed Borrowing unless such Default or Event of Default shall have been waived in accordance with the Credit Agreement.

This Notice of Borrowing may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[remainder of page intentionally left blank]

(1) Only to be used on the Closing Date.
(2) LIBOR Rate is only available after the Closing Date.

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By:_____
Name:_____
Title:_____

EXHIBIT 1.1(f)

FORM OF
NOTICE OF CONVERSION/EXTENSION

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

Pursuant to Section 2.5 of the Credit Agreement, the Borrower hereby requests _____conversion or _____extension of the following Loans be made as follows (the " Proposed Conversion/Extension "):

Applicable Loan	Current Interest Rate and Interest Period	Date	Amount to be converted/ extended	Requested Interest Rate (Alternate Base Rate/LIBOR Rate)	Interest Period (one month — for LIBOR Rate only)

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The undersigned hereby certifies that no Default or Event of Default has occurred and is continuing or would result from such Proposed Conversion/Extension or from the application of the proceeds thereof unless such Default or Event of Default shall have been waived in accordance with the Credit Agreement.

This Notice of Conversion/Extension may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[remainder of page intentionally left blank]

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By:_____
Name:_____
Title:_____

EXHIBIT 1.1(g)

FORM OF
GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made as of [ ], 2010 (as amended, modified, extended, restated, replaced or supplemented from time to time, this " Guaranty Agreement "), by each of the entities referenced on the signature pages hereto as a guarantor or any Subsidiary which otherwise becomes a party to this Agreement by execution of a Joinder Agreement (individually, a " Guarantor " and collectively, the " Guarantors "), in favor of the Administrative Agent, the Lenders, the Hedging Agreement Providers and each other beneficiary of any obligation or undertaking of United Therapeutics Corporation, a Delaware corporation (the " Borrower ") (the Administrative Agent, the Lenders, the Hedging Agreement Providers and each such other beneficiary may be referred to herein, individually, as a " Beneficiary " and collectively, as the " Beneficiaries "). Except as otherwise defined herein, capitalized terms used herein and not defined herein shall have the respective meanings set forth in the Credit Agreement, dated as of December 27, 2010 (as amended, modified, extended, restated, replaced or supplemented from time to time, the " Credit Agreement ") by and among the Administrative Agent, the Lenders, the Borrower and the Guarantors party thereto.

WHEREAS, as an inducement to the Administrative Agent and the Lenders to enter into the Credit Agreement and the other Credit Documents from time to time and to consummate the transactions contemplated thereby, each of the Guarantors has agreed to guarantee, as hereinafter provided, the Borrower's obligations under the Credit Agreement and the other Credit Documents; and

WHEREAS, as an inducement to the Hedging Agreement Providers to enter into the Secured Hedging Agreements from time to time and to consummate the transactions contemplated thereby, each of the Guarantors has agreed to guarantee, as hereinafter provided, the obligations of the Credit Parties under the Secured Hedging Agreements.

NOW, THEREFORE, in consideration of the execution and delivery of the Credit Agreement, the consummation of the transactions contemplated thereby and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, each of the Guarantors hereby agrees as follows:

1 . Guaranty . In order to induce the Lenders to enter into the Credit Agreement and the other Credit Documents and to extend credit and to undertake other obligations thereunder and in recognition of the financial benefits to be received by the Guarantors from the Extensions of Credit under the Credit Agreement and in order to induce the Hedging Agreement Providers to enter into Secured Hedging Agreements from time to time, each of the Guarantors hereby agrees with the Beneficiaries as follows: each of the Guarantors hereby unconditionally and irrevocably jointly and severally guarantees as primary obligor and not merely as surety the full and prompt payment and performance when due, whether upon maturity, by acceleration or otherwise, of any and all Credit Party Obligations. For purposes of this Guaranty Agreement, the Credit Documents and the Secured Hedging Agreements may be referred to herein, individually, as a " Document " and collectively, as the " Documents ". If any or all of the indebtedness under the Documents becomes due and payable or any or all of the other obligations under the Documents are not fully satisfied, each of the Guarantors unconditionally promises to pay such indebtedness and to perform such obligations to or in favor of the Beneficiaries or to their respective order, on demand, together with any and all reasonable expenses which may be incurred by the Beneficiaries in collecting or enforcing any of the Credit Party Obligations. The guaranty set forth in this Guaranty Agreement is a guaranty of timely payment and performance and not of collection. The word

"indebtedness" is used in this Guaranty Agreement in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of the Credit Parties under the Documents, including, without limitation, specifically all Credit Party Obligations, arising in connection with any of the Documents, in each case, heretofore, now, or hereafter made, incurred or created under the Documents, whether voluntarily or involuntarily, absolute or contingent, liquidated or unliquidated, determined or undetermined, whether or not such indebtedness under the Documents is from time to time reduced, or extinguished and thereafter increased or incurred, whether any Credit Party may be liable individually or jointly with others under the Documents, whether or not recovery upon such indebtedness under the Documents may be or hereafter become barred by any statute of limitations, and whether or not such indebtedness under the Documents may be or hereafter become otherwise unenforceable.

Notwithstanding any provision to the contrary contained in this Guaranty Agreement or in any of the Documents, to the extent the obligations of any Guarantor shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers) then the obligations of each such Guarantor hereunder shall be limited to the maximum amount that is permissible under applicable law (whether federal or state and including, without limitation, the Bankruptcy Code).

2 . No Discharge . The obligations of each of the Guarantors hereunder are absolute, unconditional and irrevocable and will not be discharged by, and this Guaranty Agreement shall remain in full force and effect notwithstanding: (a) the assignment, conveyance or other transfer by any Beneficiary of any or all of its interest under the Documents; or (b) any insolvency, bankruptcy, reorganization, arrangement, composition, liquidation, dissolution, or similar proceedings with respect to any Credit Party; or any other occurrence whatsoever, except timely payment and timely performance in full of all Credit Party Obligations in accordance with the terms and conditions of the Documents; or (c) any other circumstances whatsoever which might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety, or which might otherwise limit recourse against any of the Guarantors.

3 . Bankruptcy . Additionally, each of the Guarantors unconditionally and irrevocably guarantees jointly and severally the payment and performance of any and all Credit Party Obligations to the Beneficiaries whether or not due, owing or payable upon the occurrence of any Bankruptcy Event or any such event with regard to any Subsidiary or any Guarantor and unconditionally promises to pay and perform such Credit Party Obligations to the Beneficiaries or for the benefit of the Beneficiaries, as applicable (provided , if any such Credit Party Obligation that is a payment obligation is owing to a Lender, such payment shall be made to the Administrative Agent for the account of the Lender), or order, on demand, in lawful money of the United States. Each of the Guarantors further agrees that to the extent that a Credit Party shall make a payment, perform an obligation or otherwise make a transfer of an interest in any property to or for the benefit of any Beneficiary, which payment, performance or transfer or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, or otherwise is avoided, and/or required to be repaid to the Credit Party, the estate of the Credit Party, a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such avoidance or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment, performance or transfer had not been made or effected.

4 . Nature of Liability . The liability of each of the Guarantors hereunder is exclusive and independent of any security for or other guaranty of the Credit Party Obligations whether executed by any Guarantor or by any other party, and no Guarantor's liability hereunder shall be affected or impaired by (a) any direction as to application of payment by any Credit Party or by any other party, or (b) any other continuing or other guaranty, undertaking or maximum liability of a Guarantor or of any other party as to the Credit Party Obligations, or (c) any payment or performance on or in reduction of any such other

guaranty or undertaking, or (d) any dissolution, termination or increase, decrease or change in personnel by any Credit Party or by any other party, or (e) any payment or performance made to or for the benefit of any Beneficiary on the Credit Party Obligations which the Beneficiary repays any Credit Party pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each of the Guarantors waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

5 . No Subrogation . No Guarantor shall be entitled to be subrogated to any of the rights of any of the Beneficiaries against any Credit Party or any collateral, security or guarantee or right of set-off held by any of the Beneficiaries for the payment or performance of any of the Credit Party Obligations, nor shall any of the Guarantors seek or be entitled to seek any reimbursement from the Credit Parties in respect of payment or performance made by any of the Guarantors hereunder, until all of the Credit Party Obligations are paid and performed in full.

6 . Severability . Any provision of this Guaranty Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7 . Independent Obligation . The obligations of each of the Guarantors hereunder are independent of the obligations of any other Credit Party, and a separate action or actions may be brought and prosecuted against each of the Guarantors whether or not action is brought against any other Credit Party and whether or not any other Credit Party is joined in any such action or actions.

8 . Authorization . Each of the Guarantors authorizes each of the Beneficiaries without notice or demand (except as shall be required by applicable statute and cannot be waived), and without affecting or impairing its liability hereunder, from time to time to (a) renew, compromise, extend, increase, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Credit Party Obligations or any part thereof in accordance with the Documents, including, without limitation, any increase or decrease of the rate of interest thereon, (b) take and hold security from any of the Guarantors or any other party for the payment and performance of this Guaranty Agreement or the Credit Party Obligations and exchange, enforce waive and release any such security, (c) apply such security and direct the order or manner of sale thereof in accordance with the Documents, (d) release or substitute any one or more endorsers, Guarantors, the Borrower or other obligors and (e) to the extent otherwise permitted herein, release or substitute any Collateral.

9 . Reliance . It is not necessary for any Beneficiary to inquire into the capacity or powers of any Credit Party or the officers, directors, members, partners or agents acting or purporting to act on its behalf, and any Credit Party Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

10 . Waiver .

(a) Each of the Guarantors waives any right (except as shall be required by applicable statute and cannot be waived) to require any Beneficiary to (i) proceed against any other Credit Party or any other party, (ii) proceed against or exhaust any security held from any other Credit Party or any other party, or (iii) pursue any other remedy in the Beneficiary's power whatsoever. Each of the Guarantors waives any defense based on or arising out of any defense of any other Credit Party or any other party other than payment and performance in full of the Credit Party, including, without limitation, any defense based on or arising out of the disability of any

other Credit Party or any other party, or the unenforceability of the Credit Party Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any Credit Party other than payment and performance in full of the Credit Party Obligations. The Administrative Agent may, at its election, foreclose on any security held by any Beneficiary, by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Administrative Agent or any other Beneficiary may have against any Credit Party or any other party, or any security, without affecting or impairing in any way the liability of any of the Guarantors hereunder except to the extent the Credit Party Obligations have been paid and performed in full and the Loan Commitments have been terminated. Each of the Guarantors waives any defense arising out of any such election by any Beneficiary, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any other Credit Party or any other party or any security.

(b) Each of the Guarantors waives all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notice of protest, notices of dishonor, notices of acceptance of this Guaranty Agreement, and notices of the existence, creation or incurring of new or additional Credit Party Obligations. Each of the Guarantors assumes all responsibility for being and keeping itself informed of the financial condition and assets of the Credit Parties, and of all other circumstances bearing upon the risk of nonpayment of the Credit Party Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that no Beneficiary shall have any duty to advise such Guarantor of information known to it regarding such circumstances or risks.

(c) Each of the Guarantors hereby agrees it will not exercise any rights of subrogation which it may at any time otherwise have as a result of this Guaranty Agreement (whether contractual, under Section 509 of the U.S. Bankruptcy Code, or otherwise) to the claims, regarding the Credit Party Obligations, of the Beneficiaries against any other Credit Party and all contractual, statutory or common law rights of reimbursement, contribution or indemnity from any other Credit Party which it may at any time otherwise have as a result of this Guaranty Agreement until such time as the Credit Party Obligations shall have been paid in full and the Loan Commitments have been terminated. Each of the Guarantors hereby further agrees not to exercise any right to enforce any other remedy which any Beneficiary now has or may hereafter have against any Credit Party or any endorser of all or any part of the Credit Party Obligations and any benefit of, and any right to participate in, any security or collateral given to or for the benefit of any Beneficiary to secure payment and performance of the Credit Party Obligations until such time as the Credit Party Obligations shall have been paid and performed in full and the Loan Commitments have been terminated.

(d) The obligations of each of the Guarantors under this Guaranty Agreement shall be paid and performed without demand by any Beneficiary and shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of any of the Documents or any other circumstance which might otherwise constitute a legal or equitable discharge of a surety or a guarantor. Each of the Guarantors hereby waives the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty Agreement, and agrees that the obligations of each of the Guarantors shall not be affected by any circumstances, whether or not referred to in this Guaranty Agreement, which might otherwise constitute a legal or equitable discharge of a surety or guarantor. Each of the Guarantors hereby waives the benefits of any right of discharge under any and all statutes or other laws relating to sureties or guarantors and any other rights of sureties and guarantors thereunder. Without

limiting the generality of the foregoing, each of the Guarantors hereby waives diligence, presentment, demand for payment, protest, and all notices which may be required by statute, rule of law or otherwise to preserve intact the Beneficiaries' rights against each of the Guarantors under this Guaranty Agreement, including, without limitation, notice of acceptance, notice of any amendment of any Document, notice of the occurrence of any default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, notice of the incurring by any Credit Party of any of the Credit Party Obligations, and, generally, all demands, notices and other formalities of every kind in connection with this Guaranty Agreement, and all rights to require the Beneficiaries to (i) proceed against the Borrower, (ii) proceed against or exhaust any collateral held by any Beneficiary to secure the payment of the Credit Party Obligations, or (iii) pursue any other remedy it may now or hereafter have against any Credit Party.

(e) Without limiting the generality of the foregoing, each of the Guarantors waives all rights and defenses arising out of an election of remedies by any of the Beneficiaries, even though that election of remedies, such as a nonjudicial or judicial foreclosure with respect to security for the Credit Party Obligations, has destroyed each of the Guarantors' rights of subrogation and reimbursement against the Borrower or any other Credit Party or otherwise. In addition, each of the Guarantors waives all rights and defenses that each of the Guarantors may have because the Credit Party Obligations are secured by real property. This means, among other things:

(i) The Beneficiaries may collect from each of the Guarantors without first foreclosing on any real or personal property collateral pledged by the Borrower.

(ii) If any of the Beneficiaries forecloses on any real property collateral pledged by the Borrower:

(A) The amount of the Credit Party Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(B) The Beneficiaries may collect from each of the Guarantors even if the Beneficiaries, by foreclosing on the real property collateral, have destroyed any right any of the Guarantors may have to collect from the Borrower.

(f) This is an unconditional and irrevocable waiver of any rights and defenses any of the Guarantors may have because the Credit Party Obligations are secured by real property.

(g) Each of the Guarantors hereby agrees that no Guarantor shall have any right of subrogation or reimbursement against the Borrower or any other Credit Party, no right of subrogation against any collateral or security provided for in the Documents and no right of contribution against any other guarantor or pledgor unless and until the entire Loan and all other amounts and other obligations due and owing or accrued under the Documents have been paid and performed in full. To the extent the waiver by any Guarantor of these rights of subrogation, reimbursement or contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, each of the Guarantors agrees that each of the Guarantor's rights of subrogation and reimbursement against the Borrower or any other Credit Party and each of the Guarantor's right of subrogation against any collateral or security shall be unconditionally junior and subordinate to the Beneficiaries' rights against the Borrower and the other Credit Parties and to the Beneficiaries' right, title and interest in such collateral or security, and each of

the Guarantors' right of contribution against any other guarantor or pledgor shall be unconditionally junior and subordinate to the Beneficiaries' rights against such other guarantor or Pledgor, unless and until the entire Loan and all other amounts and other obligations due and owing or accrued under the Documents have been paid and performed in full.

11 . Limitation on Enforcement . The Beneficiaries agree that this Guaranty Agreement may be enforced only by the action of the Administrative Agent acting upon the instructions of the Required Lenders or, if applicable, the Hedging Agreement Providers (for clarification, the rights of Hedging Agreement Providers shall only arise with respect to obligations under one or more Secured Hedging Agreements that such Hedging Agreement Provider is a party to) and that no Lender or Hedging Agreement Provider shall have any right individually to seek to enforce or to enforce this Guaranty Agreement, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Lenders and, if applicable, the Hedging Agreement Providers. The Lenders and the Hedging Agreement Providers further agree that this Guaranty Agreement may not be enforced against any director, officer, employee or stockholder of the Guarantors.

12 . Representations and Warranties of each of the Guarantors . Each of the Guarantors hereby represents and warrants as to itself and not as to any other Person that:

(a) it is duly organized and validly existing in good standing under the laws of the jurisdiction of its formation and has the corporate or other such power and authority to carry on its present business and operations, to own or lease its properties and to enter into and perform its obligations under this Guaranty Agreement, and this Guaranty Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforceability may be limited by its bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity;

(b) the execution and delivery by it of this Guaranty Agreement and compliance by it with all of the provisions hereof do not and will not contravene any law, governmental rule or regulation or any order, writ, injunction or decree of any court or governmental authority or agency applicable to or binding on it or contravene the provisions of, or constitute a default under, its formation documents or any indenture, mortgage, contract or any agreement or instrument to which it is a party or by which it or any of its property may be bound or affected;

(c) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery or performance by it of this Guaranty Agreement; and

(d) there are no pending or threatened actions or proceedings before any court or administrative agency which could reasonably be expected to have a Material Adverse Effect or otherwise impair its ability to perform its obligations under this Guaranty Agreement.

13 . Costs and Expenses . Each of the Guarantors agrees to indemnify and hold each of the Beneficiaries harmless from and against and to pay all actual and reasonable out-of-pocket costs and expenses (including, without limitation, reasonable legal fees and expenses) incurred by or on behalf of any Beneficiary in connection with the collection and/or enforcement of any of the Guarantors' obligations under this Guaranty Agreement.

14 . Miscellaneous . This Guaranty Agreement shall: (a) be binding upon each of the Guarantors, its successors and assigns; (b) inure to the benefit of, and be enforceable by, each of the

Beneficiaries, and its successors and assigns, but shall not, and is not intended to, create rights in any other third parties; (c) not be waived, amended modified, extended, restated, replaced or supplemented without the written consent of each of the Beneficiaries; (d) BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF NEW YORK (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW); and (e) remain in full force and effect until, and shall be terminated (subject to reinstatement under Section 3 hereof) upon the payment and performance in full by the Borrower of the Credit Party Obligations, in accordance with the terms and provisions of the Documents. All notices to, or requests of, demands on and other communications with any of the Guarantors shall be made in writing and shall be personally delivered, or sent by registered or certified mail, postage prepaid, or by fax to the following address:

[Name of initial Guarantor]
c/o United Therapeutics Corporation
1040 Spring Street
Silver Spring, Maryland 20910
Attention: John Ferrari, Chief Financial Officer
Telephone: 240-821-1729
Fax: 301-608-3049
Email: jferrari@unither.com

with a copy to:

United Therapeutics Corporation
1735 Connecticut Avenue, N.W.
Washington, District of Columbia 20009
Attention: Paul Mahon, General Counsel
Telephone: 202-483-7000
Fax: 202-483-4005
Email: paul@unither.com

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Guarantors has caused this Guaranty Agreement to be duly executed by its duly authorized officer and delivered as of the day and year first written above.

[NAME OF INITIAL GUARANTOR],
a **[Jurisdiction and Type of Organization]**

By:_____
Name:_____
Title:_____

EXHIBIT 1.1(h)

FORM OF
INITIAL GUARANTOR JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this " Agreement "), dated as of **[Month] [Day]** , **[Year]** is by and among **[NAME OF SUBSIDIARY GUARANTOR]** , a **[Jurisdiction and Type of Organization]** (the " Subsidiary Guarantor "), United Therapeutics Corporation, a Delaware corporation (the " Borrower "), and Wells Fargo Bank, National Association, in its capacity as administrative agent (in such capacity, the " Administrative Agent ") under that certain Credit Agreement, dated as of December 27, 2010 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement ") by and among the Borrower, the Guarantors, the Lenders and the Administrative Agent. Capitalized terms used herein but not otherwise defined shall have the meanings provided in the Credit Agreement.

The Subsidiary Guarantor is the initial party to the Guaranty Agreement, and, consequently, the Borrower is required by Section 5.9 of the Credit Agreement to cause the Subsidiary Guarantor to execute this Agreement as a "Guarantor".

Accordingly, the Subsidiary Guarantor and the Borrower hereby agree as follows with the Administrative Agent, for the benefit of the Lenders:

1 . The Subsidiary Guarantor hereby acknowledges, agrees and confirms that, by its execution of the Guaranty Agreement, the Subsidiary Guarantor will be deemed to be a "Guarantor" under the Guaranty Agreement, and by its execution of this Agreement, the Subsidiary Guarantor will be deemed to be a "Guarantor" under the Credit Agreement and the Environmental Indemnity and shall have all of the obligations of a Guarantor thereunder having executed the Guaranty Agreement and as if it had executed the Credit Agreement and the Environmental Indemnity. The Subsidiary Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Guaranty Agreement and the other applicable Credit Documents, including, without limitation (a) the representations and warranties (as such relate to the Subsidiary Guarantor) set forth in Sections 3.3, 3.4, 3.5, 3.19, 3.20, 3.21 and 3.22 of the Credit Agreement, (b) all of the affirmative and negative covenants set forth in Articles V and VI of the Credit Agreement, (c) the miscellaneous provisions set forth in Article IX of the Credit Agreement and (d) the provisions of the Environmental Indemnity. Without limiting the generality of the foregoing terms of this Paragraph 1, the Subsidiary Guarantor hereby guarantees, jointly and severally together with the other Guarantors, the prompt payment of the Credit Party Obligations in accordance with the Guaranty Agreement.

2 . The Subsidiary Guarantor acknowledges and confirms that it has received a copy of the Credit Documents and the schedules and exhibits to each of the foregoing as applicable.

3 . The information on Schedule A to this Joinder Agreement is true and correct as of the date hereof.

4 . The Borrower confirms that the Credit Documents are, and upon the Subsidiary Guarantor becoming a Guarantor, shall continue to be, in full force and effect. The parties hereto confirm and agree that immediately upon the Subsidiary Guarantor becoming a Guarantor the term "Credit Party Obligations," as used in the Credit Documents, shall include all obligations of the Subsidiary Guarantor under the Guaranty Agreement and under each other Credit Document.

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5 . Each of the Borrower and the Subsidiary Guarantor agrees that at any time and from time to time, upon the written request of the Administrative Agent, it will execute and deliver such further documents and do such further acts as the Administrative Agent may reasonably request in accordance with the terms and conditions of the Credit Documents in order to effect the purposes of this Agreement.

6 . This Agreement (a) may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract and (b) may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

7 . This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. The terms of Sections 9.13 and 9.16 of the Credit Agreement are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Borrower and the Subsidiary Guarantor has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

SUBSIDIARY GUARANTOR:

[NAME OF SUBSIDIARY GUARANTOR],
a **[Jurisdiction and Type of Organization]**

By:_____
Name:_____
Title:_____

BORROWER:

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By:_____
Name:_____
Title:_____

Acknowledged, accepted and agreed:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By:_____
Name:_____
Title:_____

Schedule A

Disclosure Information

Legal Name of Credit Party (and any previous legal names within the past four months):
State of Organization:
Jurisdictions of Organization:
Type of Organization:
Address of Chief Executive Office:
Address of Principal Place of Business:
Business Phone Number:
Organizational Identification Number(1):
Federal Tax Identification Number:
Ownership Information (e.g. publicly held, if private or partnership—identity of owners/partners):

[TO BE COMPLETED BY BORROWER/SUBSIDIARY GUARANTOR]

(1) This item does not apply to a Credit Party organized under the laws of Alabama, Indiana, Massachusetts, Nebraska, New Hampshire, New Mexico, New York, Oklahoma, South Carolina, Vermont or West Virginia.

EXHIBIT 2.1(d)

FORM OF
NOTE

[Date]

FOR VALUE RECEIVED, the undersigned, United Therapeutics Corporation, a Delaware corporation (the " Borrower ") hereby unconditionally promises to pay, on the Maturity Date (as defined in the Credit Agreement referred to below), to [_____] or its registered assigns (the " Lender ") at the office of Wells Fargo Bank, National Association, in lawful money of the United States of America and in immediately available funds, the aggregate unpaid principal amount of the Loan made by the Lender to the undersigned pursuant to Section 2.1 of the Credit Agreement referred to below. The undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof and, to the extent permitted by law, accrued interest in respect hereof from time to time from the date hereof until payment in full of the principal amount hereof and accrued interest hereon, at the rates and on the dates set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, dated as of December 27, 2010 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement ") by and among the Borrower, the Guarantors, the Lenders and Wells Fargo Bank, National Association, as administrative agent for the Lenders (the " Administrative Agent "), and the holder is entitled to the benefits thereof. Capitalized terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein. In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to principal and interest, all costs of collection, including reasonable attorneys' fees.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

This Note may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

UNITED THERAPEUTICS CORPORATION, a
Delaware corporation

By:_____
Name:_____
Title:_____

EXHIBIT 4.1(a)

FORM OF
LENDER CONSENT

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

This Consent is given pursuant to the Credit Agreement referenced above. The undersigned hereby (i) approves the Credit Agreement, (ii) authorizes and appoints the Administrative Agent as its agent in accordance with the terms of Article VIII of the Credit Agreement, (iii) authorizes the Administrative Agent to execute and deliver the Credit Agreement on its behalf, (iv) agrees that it is a Lender under the Credit Agreement and therefore shall have all the rights and obligations of a Lender under the Credit Agreement as if such Person had directly executed and delivered a signature page to the Credit Agreement and (v) has consented to, approved or accepted or is satisfied with, each document or other matter required under Sections 4.1 and 4.2 to be consented to or approved by or be acceptable or satisfactory to a Lender. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

Delivery of this Consent by telecopy shall be effective as an original.

A duly authorized officer of the undersigned has executed this Consent as of the ____day of _____, _____.

_____,
as a Lender

By:_____
Name:_____
Title:_____

EXHIBIT 4.1(b)

FORM OF
OFFICER'S CERTIFICATE

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

The undersigned officer of **[NAME OF CREDIT PARTY]** , a **[Jurisdiction and Type of Organization]** (the " Company ") hereby certifies as follows:

1 . Attached hereto as Exhibit A is a true and complete copy of the **[articles of incorporation] [certificate of formation] [certificate of limited partnership]** of the Company and all amendments thereto as in effect on the date hereof certified as a recent date by the appropriate Governmental Authorities of the state of **[incorporation] [organization]** of the Company.

2 . Attached hereto as Exhibit B is a true and complete copy of the **[bylaws] [operating agreement] [partnership agreement]** of the Company and all amendments thereto as in effect on the date hereof.

3 . Attached hereto as Exhibit C is a true and complete copy of resolutions duly adopted by the **[board of directors] [members] [managers] [partners]** of the Company on _____. Such resolutions have not in any way been rescinded or modified and have been in full force and effect since their adoption to and including the date hereof, and such resolutions are the only corporate proceedings of the Company now in force relating to or affecting the matters referred to therein.

4 . Attached hereto as Exhibit D are true and complete copies of the certificates of good standing, existence or its equivalent of the Company certified as a recent date by the appropriate Governmental Authorities of the state of **[incorporation] [organization]** of the

Company **[and each other state in which the failure to so qualify and be in good standing could reasonably be expected to have a Material Adverse Effect]** .

5 . The following persons are the duly elected and qualified officers of the Company, holding the offices indicated next to the names below on the date hereof, and the signatures appearing opposite the names of the officers below are their true and genuine signatures, and each of such officers is duly authorized to execute and deliver, on behalf of the Company, the Credit Agreement, the Notes and the other Credit Documents to be issued pursuant thereto:

Name	Office	Signature

This Certificate may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, I hereunder subscribe my name effective as of the _____day of _____, _____.

Name:_____
Title:_____

I, _____, the _____of the Company, hereby certify that _____is the duly elected and qualified _____of the Company and that his/her true and genuine signature is set forth above.

Name:_____
Title:_____

Exhibit A

[Articles of Incorporation] [Certificate of Formation] [Certificate of Limited Partnership]

Attached

Exhibit B

[Bylaws] [Operating Agreement] [Partnership Agreement]

Attached

Exhibit C

[Resolutions]

Attached

Exhibit D

[Certificates of Good Standing, Existence or its Equivalent]

Attached

EXHIBIT 4.1(l)

FORM OF
FINANCIAL CONDITION CERTIFICATE

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

Pursuant to the terms of Section 4.1 of the Credit Agreement, the undersigned officer of the Borrower, hereby certifies on behalf of the Credit Parties and not in any individual capacity that, as of the date hereof, the statements below are accurate and complete in all respects:

(a) There does not exist any pending or ongoing, action, suit, investigation, litigation or proceeding in any court or before any other Governmental Authority (i) affecting the Credit Agreement or the other Credit Documents, that has not been settled, dismissed, vacated, discharged or terminated prior to the Closing Date or (ii) that purports to affect any Credit Party or any of its Subsidiaries, or any transaction contemplated by the Credit Documents, which action, suit, investigation, litigation or proceeding could reasonably be expected to have a Material Adverse Effect, that has not been settled, dismissed, vacated, discharged or terminated prior to the Closing Date.

(b) Immediately after giving effect to the Credit Agreement, the other Credit Documents and all Transactions contemplated to occur on the Closing Date, (i) no Default or Event of Default exists, (ii) all representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct, (iii) the Credit Parties are in compliance on a Pro Forma Basis with each of the initial financial covenants set forth in Section 5.11 of the Credit Agreement, as demonstrated by the calculation of financial covenants set forth on Schedule A attached hereto, as of the last day of the fiscal quarter ending at least twenty (20) days preceding the Closing Date, and (iv) the Transactions do not contravene, or otherwise conflict with, the terms of and the Credit Parties' then current Contractual Obligations.

(c) Immediately after giving effect to the Credit Agreement, the other Credit Documents and all Transactions contemplated to occur on the Closing Date, each of the conditions precedent in Sections 4.1 and 4.2 have been satisfied.

This Financial Condition Certificate may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[remainder of page intentionally left blank]

UNITED THERAPEUTICS CORPORATION, a
Delaware corporation

By:_____
Name:_____
Title:_____

Schedule A

Calculation of Financial Covenants

[TO BE COMPLETED BY BORROWER]

EXHIBIT 5.2(b)

FORM OF
OFFICER'S COMPLIANCE CERTIFICATE

TO: Wells Fargo Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of December 27, 2010 by and among United Therapeutics Corporation, a Delaware corporation (the " Borrower "), the Guarantors, the Lenders and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (as amended, modified, extended, restated, replaced, or supplemented from time to time, the " Credit Agreement "; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: **[Date]**

For the fiscal **[quarter] [year]** ended [_____, _____].

The undersigned hereby certifies on behalf of the Credit Parties that, to the best of his/her knowledge, with respect to the Credit Agreement:

[(a) Attached hereto on Exhibit A is a certificate of the independent certified public accountants reporting on the financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate.](1)

(b) The financial statements delivered for the fiscal period referred to above present fairly the financial position of the Parent and its Subsidiaries, for the period indicated above, in conformity with GAAP applied on a consistent basis.

(c) Each of the Credit Parties during the period indicated above observed or performed all of its covenants and other agreements, and satisfied every condition, contained in the Credit Agreement to be observed, performed or satisfied by it.

(d) I have obtained no knowledge of any Default or Event of Default under the Credit Agreement;(2)

(e) Attached hereto on Schedule A are calculations in reasonable detail demonstrating compliance by the Credit Parties with the financial covenants contained in Section 5.11 of the Credit Agreement as of the last day of the fiscal period referred to above.

(f) Attached hereto on Schedule B is a certificate including information regarding the revenues and assets of the Borrower on a Consolidated basis evidencing compliance with the Guarantee Requirement during the fiscal period referred to above.

(1) To be provided annually.
(2) If a Default or Event of Default shall have occurred, an explanation of such Default or Event of Default shall be provided on a separate page attached hereto together with an explanation of the action taken or proposed to be taken by the Borrower with respect thereto.

This Certificate may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[remainder of page intentionally left blank]

UNITED THERAPEUTICS CORPORATION, a Delaware corporation

By:_____
Name:_____
Title:_____

[Exhibit A

Accountant Certificate]

See Attached

Schedule A

Calculation of Financial Covenants

[TO BE COMPLETED BY BORROWER]

Schedule B

Guarantee Requirements

[TO BE COMPLETED BY BORROWER]

Exhibit 10.38

Pursuant to 17 C.F.R §240.24b-2, confidential information (indicated as [***]) has been omitted and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application filed with the Commission.

AMENDED AND RESTATED DISTRIBUTION AGREEMENT

THIS AMENDED AND RESTATED DISTRIBUTION AGREEMENT (" **Agreement** ") is made as of February 21, 2011 (the " **Effective Date** "), by and between United Therapeutics Corporation (" **UT** "), a Delaware corporation, with offices at 1040 Spring Street, Silver Spring, Maryland and Accredo Health Group, Inc. (" **DISTRIBUTOR** "), a Delaware corporation, with offices at 1640 Century Center Parkway, Memphis, Tennessee 38134.

Recitals

A. WHEREAS, DISTRIBUTOR's predecessor-in-interest, Olsten Health Services (Quantum) Corp., and UT entered into to a Distribution Agreement, effective March 20, 2000, and various amendments thereto, relating to the distribution of UT Product (as hereinafter defined) (the " **Original Agreement** ");

B. WHEREAS, DISTRIBUTOR desires to continue to maintain its right to sell, market, distribute and maintain UT Product in the Territory (as hereinafter defined) on the terms and conditions contained herein; and

C. WHEREAS, the Parties wish to amend and restate the Original Agreement on the terms and conditions provided herein, and intend for this Agreement to replace and supersede the Original Agreement and all amendments thereto, as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the Parties agree as follows:

ARTICLE 1: INTRODUCTORY PROVISIONS

1.1 Defined Terms . The following terms, when used in capitalized form in this Agreement, shall have the meanings set forth below:

(a) " **Agreement** " shall mean this Amended and Restated Distribution Agreement entered into by and between UT and DISTRIBUTOR as of the Effective Date.

(b) " **Adverse Event** " shall mean any "Adverse Drug Experience" as defined in 21 CFR 310.305, 21 CFR 314.80 and/or 21 CFR 600.80 (as applicable) or any replacements thereto.

(c) " **Affiliate** " when used with reference to either Party shall mean any Person controlling, controlled by or under common control with the said Party and any officer, director or employee of such Party or Person, as the case may be. For purposes hereof, "control" shall mean ownership, directly or indirectly, of more than fifty percent (50%) of the securities having the right to vote for the election of directors, in the case of a corporation, and more than fifty percent (50%) of the beneficial interest in the capital, in the case of a business entity other than a corporation.

(d) " **Applicable Laws** " shall mean all laws, statutes, ordinances, codes, rules, and regulations that have been enacted by a government authority and which are in force as of the Effective Date or come into force during the term of this Agreement, in each case to the extent that the same are applicable to the performance by the Parties of their respective obligations under this Agreement, including, with respect to the United States, the Prescription Drug Marketing Act, the Federal Food, Drug and Cosmetics Act of 1938, as amended, the Health Insurance Portability and Accountability Act, the Federal Anti-Kickback Statute, the Anti-Kickback Act of 1986, the Stark Anti-Referral Law, and any applicable FDA regulations.

(e) " **Clean Prescription** " shall mean a referral for which benefits have been verified and that includes a valid prescription that does not: (i) require physician, patient, or any third party intervention or information; (ii) involve backorder, short supply, allocation, or recall; or (iii) involve a referral that is subsequently canceled or requested to be held for future processing.

(f) " **Commercially Reasonable Efforts** " shall mean with respect to each Party, commercially reasonable efforts in accordance with the business, legal, medical and scientific judgment of a similarly situated company, and in accordance with the efforts and resources a similarly situated company would use taking into account reasonable commercial judgment and other relevant factors.

(g) " **Confidential Information** " shall mean all information disclosed by one Party (" **Disclosing Party** ") to the other Party (" **Receiving Party** "), regardless of the form in which it is disclosed, including information relating to the Disclosing Party's markets, product specific payer policies, databases, customers, products, patents, inventions, procedures, methods, designs, strategies, plans, assets, liabilities, prices, costs, revenues, profits, organization, employees, agents, resellers or business in general, and with respect to UT as Disclosing Party, information embodied in UT Product. The following shall not be considered Confidential Information:

(i.) Information which is or becomes in the public domain through no fault or act of the Receiving Party;

(ii.) Information which was independently developed by the Receiving Party without the use of or reliance on Confidential Information;

(iii.) Information which was provided to the Receiving Party by a third party under no duty of confidentiality to the Disclosing Party; or

(iv.) Information that is required to be disclosed by Applicable Laws, provided, however, prompt prior notice thereof shall be given to the Disclosing Party.

(h) " **Customer** " shall mean any hospital, healthcare institution and Included Patient that is legally entitled to purchase the UT Product for use in the Territory.

(i) " **Designated Shipment Location** " shall mean the Designated Storage Location(s) to which UT has agreed to ship Units of UT Product as set forth in Attachment E attached hereto.

(j) " **Designated Storage Location** " shall mean the locations of DISTRIBUTOR's facilities or pharmacies owned by DISTRIBUTOR or its Affiliate(s) for the storage of the Units of UT Product shipped to DISTRIBUTOR's Designated Storage Locations as set forth in Attachment E attached hereto.

(k) " **DISTRIBUTOR** " shall mean Accredo Health Group, Inc. and its wholly owned subsidiaries.

(l) " **Effective Date** " shall mean the date first above written.

(m) " **First Use** " shall mean the act of piercing of the seal on the vial of UT Product.

(n) " **Force Majeure** " shall mean any event, not existing as of the Effective Date and not reasonably within the control of the Parties as of such date, which, in whole or in material part, prevents or makes commercially unreasonable one Party's performance of its obligations under this Agreement. Force Majeure shall include, without limitation: fire, storm, earthquake, flood, acts of state, war or civil unrest, labor dispute, inability to obtain labor or materials, and prolonged shortage of energy or any other supplies.

(o) " **Good Distribution Practice** " shall mean that practice of purchasing, storing and shipping a regulated pharmaceutical product and billing to and collecting from customers for a regulated pharmaceutical product in accordance with legal requirements and the standards and customary industry commercial practices.

(p) "[***]" shall mean [***].

(q) "[***]" shall mean [***].

(r) " **Included Patient** " shall mean an individual diagnosed with pulmonary arterial hypertension (" **PAH** ") who is prescribed UT Product.

(s) " **Level 1 Appeal** " shall mean an appeal of a reimbursement claim denial by a Third Party Payer due to an incomplete or improperly submitted reimbursement claim or other similar administrative oversight.

(t) " **Level 2 Appeal** " shall mean an appeal of a reimbursement claim denial by a Third Party Payer, whether such denial is first asserted upon verification of reimbursement or following submission of a reimbursement claim, because: (i) the applicable policy covering the Included Patient does not include UT Product as a covered benefit, or (ii) the Included Patient falls within a class of persons who are all denied coverage for UT Product as the result of the application of a general policy.

(u) " **PAP Patient** " shall mean any Included Patient who is enrolled in the Patient Assistance Program as established by UT from time to time and operated in accordance with Attachment C hereto. UT shall provide DISTRIBUTOR with the eligibility criteria for this program.

(v) " **Price** " shall mean the Wholesale Acquisition Cost for UT Product as set forth on Attachment A hereto.

(w) " **UT Product** " or " **Product** " shall mean Remodulin (treprostinil sodium) Injection, a pharmaceutical product administered subcutaneously and

intravenously only for the treatment of PAH to be marketed in the Territory under the brand name REMODULIN®.

(x) " **UT Trademarks** " shall mean any of the UT trademarks, logotypes and trade names listed on Attachment B hereto, as such attachment may be modified from time to time by UT during the term of this Agreement.

(y) " **Parties** " shall mean UT and DISTRIBUTOR collectively.

(z) " **Party** " shall mean either UT or DISTRIBUTOR.

(aa) " **Person** " shall mean an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any governmental authority, and including any successor, by merger or otherwise, of any of the foregoing.

(bb) " **Territory** " shall mean the United States, including its territories and possessions, the fifty states and the District of Columbia only, unless otherwise expressly agreed in writing by the Parties.

(cc) " **Third-Party Payers** " shall mean managed care providers, health maintenance organizations, insurance companies, self-insurance programs of employers, third-party administrators, the United States Medicare and Medicaid programs, and other similar entities.

(dd) " **Unit of UT Product** " shall mean the combination of UT Product, package insert and other items as may be determined and supplied by UT to DISTRIBUTOR, in each instance contained within a standard outer package supplied by UT and labeled in accordance with applicable legal requirements.

(ee) " **WAC** " shall mean the then-current Wholesale Acquisition Cost of UT Product as determined by UT.

1.2 Other Rules of Interpretation . Unless the context otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (iv) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement; (v) the word "including" shall mean "including, without limitation;" (vi) the word "consent" shall mean "consent, not to be unreasonably withheld or delayed"; (vii) the word "or" shall be disjunctive but not exclusive; (viii) the words "made available" shall mean that the information referred to has been made available if requested by the party to whom such information is to be made available; (ix) all references herein to "days" shall mean calendar days, and all references to "business day" shall mean any day that is not a Saturday, Sunday or any other day when banks are required or authorized by law to be closed in The City of New York; and (x) references to any statute, regulation or other law shall include any and all amendments and successors thereto.

ARTICLE 2: MUTUAL REPRESENTATIONS AND WARRANTIES

2.1 Authority . Each Party represents and warrants that it possesses all corporate power and authority necessary to enter into this Agreement and to perform its obligations under this Agreement. All corporate acts and other proceedings required to be taken by or on the

part of each Party to authorize it to perform its obligations under this Agreement have been duly and properly taken. This Agreement has been duly executed and delivered by each Party and constitutes legal, valid and binding obligations of each Party enforceable in accordance with its terms, subject to the application of general principles of equity.

2.2 No Conflicts . Each Party represents and warrants that the execution and performance of this Agreement will not conflict with or violate any other agreement or obligation binding on it.

2.3 Approvals . Except as expressly provided herein, each Party represents and warrants that no approval, authorization, consent or other order or action of or filing with any court, administrative agency or other governmental authority is required for the execution and delivery by such Party of this Agreement or its consummation of the transactions contemplated by this Agreement.

2.4 Debarment and Exclusion Certification Requirements . Each Party certifies that it has not been debarred under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335(a) and (b), and does not appear on the "list of excluded individuals/entities" (" **LEIE** ") maintained by the Office of the Inspector General of the U.S. Department of Health & Human Services, available at http://oig.hhs.gov/fraud/exclusions/listofexcluded.html. In the event that, during the term of this Agreement, either Party (i) becomes debarred, (ii) is placed on the LEIE, or (iii) receives notice of an action or threat of an action with respect to its debarment or placement on the LEIE, such Party shall notify the other Party immediately. Each Party hereby certifies that it has not and will not use in any capacity the services of any individual, corporation, partnership or association that has been debarred under 21 U.S.C. § 335(a) and (b) or that appears on the LEIE. In the event that either Party becomes aware of the debarment, threatened debarment, appearance or threatened placement on the LEIE of any individual, corporation, partnership or association providing services to the other Party that directly or indirectly relate to activities under this Agreement, the other Party shall be immediately notified. In the event of an actual debarment or exclusion of DISTRIBUTOR or its owners during the term of this Agreement, this Agreement shall, as of, or prior to, the effective date of such debarment or exclusion, automatically terminate. In the event of an actual debarment or exclusion of any DISTRIBUTOR employee, agent or contractor during the term of this Agreement, such employee, agent or contractor must immediately cease providing any services to UT under this Agreement, and UT shall have the option of immediately terminating this Agreement.

ARTICLE 3: APPOINTMENT

3.1 Scope; Non-exclusive . UT hereby appoints DISTRIBUTOR, and DISTRIBUTOR hereby accepts such appointment, as a distributor of UT Product during the term of this Agreement, subject to the terms and conditions of this Agreement. This appointment is non-exclusive, and UT reserves the right to appoint additional distributors in the Territory and to distribute UT Product in the Territory on its own behalf. UT shall notify Distributor prior to adding additional distributors within the Territory.

3.2 Sub-distributors . DISTRIBUTOR shall not, without the prior written approval of UT, appoint any distributors or agents to act on behalf of DISTRIBUTOR (collectively, " **Sub-distributors** ") to distribute UT Product within the Territory, other than any of its Affiliates. DISTRIBUTOR shall at all times remain fully liable for the performance of any approved sub-distributors and DISTRIBUTOR shall provide UT with a written acknowledgement executed by each Sub-distributor that it has read this Agreement and

agrees to be bound by its terms and conditions, including those contained in the attachments hereto.

3.3 Sales Outside the Territory . DISTRIBUTOR shall not distribute, sell or otherwise provide UT Product outside of the Territory and shall not advertise, promote or solicit customers for UT Product outside the Territory.

ARTICLE 4: OBLIGATIONS OF DISTRIBUTOR

4.1 Support . DISTRIBUTOR shall use Commercially Reasonable Efforts to fund and support ongoing distribution of UT Product, consistent with DISTRIBUTOR's normal funding and support for its overall distribution activities. In addition, DISTRIBUTOR shall use its Commercially Reasonable Efforts to fund and support ongoing sale of UT Product. Such Commercially Reasonable Efforts shall include, but not be limited to:

(a) Maintaining throughout the Territory adequate order-fulfillment staff who are adequately trained on PAH and UT Product. The Parties acknowledge that this obligation requires DISTRIBUTOR to have the capability to provide the foregoing services throughout the Territory, but does not require DISTRIBUTOR to have a physical office within each jurisdiction within the Territory;

(b) Promptly responding to all inquiries from Customers, including responding to complaints, processing all orders and effecting all shipments of UT Product for Included Patients in accordance with the timelines and other terms and conditions contained within this Agreement;

(c) Providing UT Product to Included Patients pursuant to physician orders;

(d) [***]

(e) [***]

4.2 Policies and Procedures . DISTRIBUTOR shall use Commercially Reasonable Efforts to comply with UT's Policies and Procedures as provided and updated by UT from time to time and as accepted by DISTRIBUTOR. If any such Policies and Procedures contradict this Agreement, the terms of this Agreement shall control.

4.3 Written Assurance . DISTRIBUTOR hereby assures UT that DISTRIBUTOR shall not export UT Product from the Territory under any circumstances, including to any destination to which re-export requires a license under the United States Export Administration Regulations. DISTRIBUTOR shall use Commercially Reasonable Efforts to ensure that its Customers and sub-Distributor will not export UT Product from the Territory.

4.4 Product Specifications . DISTRIBUTOR shall store UT Product in accordance with all directions accompanying UT Product in order to maintain UT Product in accordance with UT- and FDA-approved specifications. DISTRIBUTOR shall dispense UT Product as prescribed, in accordance with all applicable pharmacy requirements. The Parties acknowledge that UT shall not have any rights, obligations, responsibilities, oversight or role of any kind or nature concerning DISTRIBUTOR's practice of pharmacy in compliance with all applicable state pharmacy regulations and consistent with DISTRIBUTOR's then current practices.

4.5 Pharmacy and Home Health Care Services . DISTRIBUTOR may create its own educational materials concerning UT Product or PAH (" **Educational Materials** ") for

distribution by DISTRIBUTOR in accordance with this Agreement and DISTRIBUTOR's obligations as a health care provider and pharmacy; provided, however, that all such Educational Materials shall: (i) be consistent with the contents of UT Product package insert approved by the FDA; (ii) comply with the conditions and requirements of all applicable state pharmacy regulations mandating the provision of patient educational materials on prescription drugs and their administration, and (iii) not be used by DISTRIBUTOR to promote, market or sell UT Product. Further, to the extent that any UT Trademarks are included in such Educational Materials, then DISTRIBUTOR shall notify UT in writing prior to use of such materials.

4.6 Complaints . DISTRIBUTOR shall process any and all complaints received from Customers in the Territory regarding the UT Product in accordance with Section 9.3 of this Agreement.

4.7 Inventory . DISTRIBUTOR shall maintain at all times adequate inventory of Units of UT Product (the " **Inventory** ") as are mutually considered by UT and DISTRIBUTOR to be sufficient to meet Customers' anticipated demands for UT Product. Such requirements may be adjusted by UT and DISTRIBUTOR from time to time. Notwithstanding the foregoing, DISTRIBUTOR shall maintain an Inventory level at all times between the following minimum and maximum:

(a) At a minimum: no less than thirty (30) days' inventory on hand at any time based on current demand and usage of UT Product by DISTRIBUTOR's customers; and

(b) At a maximum no greater than seventy-five (75) days' inventory on hand based on current demand and usage of UT Product by DISTRIBUTOR's customers; and

(c) calculations of inventory levels shall be based on the current monthly average usage of UT Product by Included Patients (**"Usage"**). Usage shall be equal to the rolling average number of Units of UT Product distributed by DISTRIBUTOR each month for the previous three (3) months.

DISTRIBUTOR shall ensure that it purchases enough Inventory each month to meet expected Usage demand for UT Product in addition to the thirty (30) day minimum Inventory level requirement. From time to time, UT and DISTRIBUTOR may mutually agree to reasonably change the above-listed minimum and maximum requirements and DISTRIBUTOR shall adjust its Inventory accordingly.

4.8 Storage of UT Product . DISTRIBUTOR shall store and maintain UT Product solely at the Designated Storage Locations described in Attachment E hereto. DISTRIBUTOR shall store, maintain and handle the Product in accordance with Good Distribution Practice, Applicable Laws, the UT Product package insert and UT's written instructions, including any requirements with respect to racking, temperature, light, darkness, vibration and rotation. The UT Product must be stored at the temperature range specified by UT to ensure safety and reliability, and rotated so that the oldest unexpired Units of UT Product are shipped before newer unexpired Units of UT Product, unless UT specifies otherwise. DISTRIBUTOR shall promptly notify UT of any material or significant change in its storage conditions or shipping procedures for UT Product. DISTRIBUTOR shall maintain complete and accurate records for inspection by UT or its representatives, upon ten (10) business days' prior notice during regular business hours, of all movements and transactions involving UT Product. Such records shall reflect unit, lot number and Customer information, including defective or returned Units of UT Product, such that the Units of UT Product may be traced for purposes of stock reconciliation, recall and

general marketing and shipping review. UT shall also have the right to inspect DISTRIBUTOR's storage conditions and shipping procedures for UT Product upon ten (10) business days' prior notice, during regular business hours. DISTRIBUTOR shall not manufacture, mix, process, combine or incorporate UT Product alone or into any other substance.

4.9 Distributor Expenses . DISTRIBUTOR shall bear all of its own costs and expenses incurred in carrying out its obligations under this Agreement, including, but not limited to, all rents, salaries, commissions, demonstration, travel and accommodation.

4.10 Distributor Reporting . DISTRIBUTOR shall complete a series of regular reports as described in Attachment F hereto. The reports are due no later than the 10th day of each month following the end of the respective reporting periods and shall constitute Confidential Information of DISTRIBUTOR. The Parties acknowledge that Applicable Laws or existing contractual relationships with Third-Party Payers may restrict DISTRIBUTOR's ability to collect, use, include and/or disclose as Data certain patient, payer, and physician-specific data. DISTRIBUTOR shall not provide patient, payer, and physician-specific data and information where so limited by such existing contractual relationships or Applicable Laws. New contracts with Third Party Payers or the enactment of new Applicable Laws may further limit the disclosure of patient- and physician-specific data and information. Neither Party may resell data to IMS, Wolters Kluwer, or any other data aggregation service .

4.11 Distributor Representations .

(a) DISTRIBUTOR acknowledges that UT Product constitutes a sensitive therapeutic drug, and that distribution and handling of the UT Product requires specialized training and dedication to Customer needs. DISTRIBUTOR represents and warrants that it will train and deploy its agents and employees in the manner necessary to meet these special requirements.

(b) DISTRIBUTOR represents and warrants that it and its officers, directors, agents and/or employees as applicable are qualified to perform the services and activities described in this Agreement and that all licenses and/or approvals necessary to conduct such services and activities have been obtained and shall be maintained throughout the term of this Agreement.

4.12 DISTRIBUTOR provides appropriate pharmacy services as required by Applicable Laws. DISTRIBUTOR shall also perform the following activities in support of the distribution of the UT Product:

(a) *Infusion Pumps or Other Devices* . DISTRIBUTOR shall develop and maintain a relationship with appropriate infusion pump or other device manufacturer(s) which manufacture pumps/devices that comply with the technical administrative requirements specified in the package insert for UT Product for applicable administration and that offer the same level of reliability, effectiveness and customer service as have become the industry standard for UT Product. DISTRIBUTOR will ensure that appropriate personnel are trained at all times on the use of all such pumps/devices and how the UT Product is most effectively used with various pumps/devices. DISTRIBUTOR shall ensure the accuracy of all of its educational efforts for Customers in respect of pumps/devices it creates and distributes for use with UT Product.

(b) *Included Patient Benefit Verification* . DISTRIBUTOR shall handle Included Patient enrollment, initial processing, insurance eligibility and benefits verification. If DISTRIBUTOR is unable to service a patient, then DISTRIBUTOR shall immediately, i.e., no more than five (5) business days from the receipt of the complete referral, re-direct the referral to an appropriate specialty pharmacy participating in the REMODULIN distribution network. Distributor agrees to utilize the referral form provided by UT for referral collection purposes at all times, unless a Customer specifically requests the use of a different form.

(i.) Upon receipt of a prescription for UT Product, DISTRIBUTOR shall immediately fax the prescribing physician to confirm receipt of the prescription. No more than one (1) business day from receipt of the prescription, DISTRIBUTOR shall perform verification of insurance coverage for UT Product. If the prescription is received after 2 p.m. Eastern time, DISTRIBUTOR may have until the end of the next business day to perform verification of insurance coverage for UT Product.

(ii.) DISTRIBUTOR shall take all necessary actions to verify Included Patients', insurance coverage for UT Product including, without limitation, researching and attempting to determine: (1) all Included Patient information and coverage parameters, including all relevant clinical documentation; (2) if UT Product is covered, under what type of plan (e.g., a "medical plan" or a "pharmacy plan"), the Included Patient cost share amount, if any, and the rate of reimbursement, if available; (3) whether prior authorization is required for reimbursement; (4) if prior authorization is required, what information the Included Patient must submit in order to receive such authorization; and (5) whether any other activities, submissions or approvals are required to obtain reimbursement promptly and to the fullest extent permitted by the Third-Party Payer. During the process of benefit verification, DISTRIBUTOR shall communicate with the referral source and provide information to the prescribing physician in a time and manner sufficient for the circumstances.

(iii.) DISTRIBUTOR shall record the results of its research on the foregoing and shall use commercially reasonable efforts to report to the Included Patient within one (1) business day from receipt.

(iv.) If the Third-Party Payer requires prior authorization, then DISTRIBUTOR shall, within one (1) business day, notify and assist the Customer with questions relating to the requirements for prior authorization.

(v.) If, prior to the submission of a claim for reimbursement, a Third-Party Payer informs DISTRIBUTOR that UT Product is not eligible for coverage, then, within one (1) business day, DISTRIBUTOR shall make such inquiries of the Third-Party Payer as shall be necessary to determine the requirements for submission of an appeal of the denial of coverage. DISTRIBUTOR shall promptly record the results of this inquiry and to the extent not prohibited by contract or Applicable Laws report such information to the UT managed markets designee.

(vi.) If DISTRIBUTOR is notified of a denial of coverage and DISTRIBUTOR determines that an appeal of the denial of coverage would require a Level 1 Appeal, then DISTRIBUTOR, at its cost and discretion, shall use reasonable efforts to assist Customer, and if an Included Patient is pursuing the Level 1 Appeal on his/her own behalf, DISTRIBUTOR, at its cost, shall promptly initiate (at the latest within one (1) business day) and pursue such Level 1 Appeal in accordance with the Third-Party Payer's processes. Upon request, UT shall provide reasonable assistance to DISTRIBUTOR, including assistance with preparing applications and participation in telephone conferences and meetings with representatives of the Third-Party Payer. All documents prepared as part of a Level 1 Appeal, and any information obtained in connection therewith, shall be promptly recorded.

(vii.) If DISTRIBUTOR determines that an appeal of the denial of coverage would require a Level 2 Appeal, DISTRIBUTOR shall notify the physician, Included Patient and UT (if DISTRIBUTOR deems necessary, if the Included Patient consents and to the extent not prohibited by contract or Applicable Laws) immediately of such determination. The Included Patient, at his or her option, may elect to pursue the Level 2 Appeal directly or to request that Distributor assist with pursuit of the Level 2 Appeal.

(c) *Dispensing Activities* .

(i.) Upon completion of benefits investigation and, if necessary, after prior authorization, DISTRIBUTOR shall process Physician's order for UT Product if Physician chooses to place an order. If Physician elects not to place an order at the time that Included Patient benefits are reported, DISTRIBUTOR shall attempt to determine the reason for Physician's choice (e.g., "Included Patient to receive UT Product at an alternate facility", "physician elected not to order UT Product", or "Included Patient elected not to receive UT Product"). DISTRIBUTOR shall immediately record this information.

DISTRIBUTOR shall attempt to contact the Included Patient on the same day that the benefit verification has been completed for the Included Patient in order to inform the Included Patient of his or her cost share amount, if any, and to make arrangements with the Included Patient for collection such cost share amount, if any, and to introduce the Included Patient to the DISTRIBUTOR's services. DISTRIBUTOR may delay shipment of UT Product until the Included Patient's cost share amount is satisfied in full. DISTRIBUTOR shall be solely responsible for submitting claims for reimbursement directly to the Third-Party Payer for the applicable reimbursable amount (deducting any Included Patient cost share amount).

DISTRIBUTOR will dispense the Unit(s) of UT Product (along with a current package insert) to Included Patients pursuant to a valid prescription and in accordance with Applicable Law, and in so doing will include certain nominal ancillary supplies (e.g., syringes, needles, and alcohol swabs) and certain related items (including the pump/device, as applicable) in connection with the UT Product as may be necessary or useful to the Included Patient in connection with the administration of the UT Product. Upon receipt of a Clean Prescription,

DISTRIBUTOR shall dispense UT Product within one (1) business day or at such other time as the Included Patient may request.

(d) *Follow up Activity Generally* . Unless DISTRIBUTOR is otherwise required to contact Customer sooner or more often, DISTRIBUTOR shall contact Customer two (2) business days after receipt of a prescription/referral and every two (2) business days thereafter to update Customer on the status of a benefits investigation/prior authorization/appeal or other related matter. When required to obtain additional information to complete a valid prescription/coverage determination/prior authorization/appeal or related matter, DISTRIBUTOR shall communicate all required information to the appropriate party and continue to contact such party every business day until the needed information is received or the matter is otherwise closed.

(e) *Social Services* . Upon expression of financial hardship, DISTRIBUTOR shall provide notice to Included Patients of alternate funding sources, certain hardship reimbursement support, and certain indigent and patient assistance programs, including UT's PAP as described in Attachment C hereto. DISTRIBUTOR shall send an application to Included Patients who request to participate in the PAP within one (1) business day from the date of such request.

(f) *Product & Ancillary Supply Distribution* . DISTRIBUTOR shall make available and/or dispense with UT Product, as necessary and appropriate for the applicable site of service (e.g., health care provider/physician office, clinic, hospital outpatient setting, pharmacy-owned facility, home), the contents of the UT Product package and supplies necessary for UT Product administration.

(g) *Education.* DISTRIBUTOR shall provide its standard educational support regarding UT Product administration and safety to Customers and caregivers involved in treating Included Patients. Upon UT's request and subject to Distributor's sole discretion, Educational Materials and educational materials created by UT may at times be included along with a patient's standard shipment(s) of UT Product. In addition, DISTRIBUTOR shall at all times comply with UT's requirements with respect to the provision of package inserts, updates thereto, and such other UT Materials as are required by Applicable Law. In the event that such materials increase shipping or dispensing expenses, the parties shall agree on appropriate payments.

DISTRIBUTOR shall promptly respond to questions from managed care organizations and other Third-Party Payers about UT Product. Notwithstanding the foregoing, the provision of such educational services shall be performed in accordance with the obligations contained in this Agreement including those with respect to training.

(h) *Nursing Services:*

(i.) DISTRIBUTOR shall make available on an as-needed basis its standard telephonic nursing services in accordance with its standard policies and procedures. If DISTRIBUTOR receives requests for administration for UT Product, it shall facilitate such requests in accordance with its standard business practices. DISTRIBUTOR's standard telephonic nursing services shall be rendered by nurses who have the requisite and necessary training, experience, licenses and permits in accordance with Applicable Laws. DISTRIBUTOR may not seek reimbursement for its standard telephonic nursing services directly from UT.

(i.) The Parties shall work together in good faith to develop an integrated nursing program to adequately support UT Product, Included Patients and Customers with the following elements:

(a) All nurses shall be trained by DISTRIBUTOR with respect to UT Product and PAH prior to any interaction with an Included Patient or Customer. All nurses (including per diem nurses) shall pass competency testing on the following topics (at a minimum): PAH and PAH drug classes; UT Product; Patient needs whether naïve or experienced; Administration of UT Product; Training patients on administration of UT Product; Relevant nursing standards of care for administration of UT Product; Any and all devices/pumps that are to be used with UT Product; Appropriate patient encounters; and HIPAA, patient privacy and any other applicable legal requirements;

(b) DISTRIBUTOR shall provide updated training as necessary for nurses to maintain competency in the foregoing competency areas;

(c) DISTRIBUTOR shall update and refresh training and require regularly updated certification testing when new information becomes available or when a nurse has not provided services for an extended period of time;

(d) DISTRIBUTOR shall make available to UT upon request, for UT's review and comment, training materials related to UT Product and the administration and support of UT Product;

(e) DISTRIBUTOR shall make available to UT records of completion of related training upon UT's request;

(f) DISTRIBUTOR shall manage nonperformance of nurses (including per diem nurses) through appropriate measures, including re-training, discipline or removal; and

(g) DISTRIBUTOR shall reasonably provide nurses who are able to speak the same language as the Included Patient or a translation service.

(i) *Additional Performance Requirements* : As to service related to UT Product, DISTRIBUTOR agrees to keep careful records of the following data points and maintain the requisite levels of competency for each data point and shall provide such data in reports to UT as UT reasonably requests, but no less than quarterly:

(ii.) ASA: meaning the average speed DISTRIBUTOR takes to answer a call measured over a calendar month. DISTRIBUTOR shall use reasonable Efforts to ensure that the ASA does not exceed thirty (30) seconds, and in any event, at least 80% of all calls to DISTRIBUTOR shall be answered within thirty (30) seconds;

(iii.) Calls Dropped: meaning the percentage of calls that are dropped before being answered over the course of a calendar month. DISTRIBUTOR

shall use its Commercially Reasonable Efforts to ensure that the Calls Dropped does not exceed 6%; and

(iv.) AHT: meaning the average hold time experienced by a caller as measured over the course of a calendar month. DISTRIBUTOR shall use its Commercially Reasonable Efforts to ensure that the AHT does not exceed 45 seconds, and in any event, at least 95% of calls placed on hold will be on hold for less than forty-five (45) seconds.

4.13 DISTRIBUTOR agrees to make available appropriate management personnel as mutually agreed upon responsible for overseeing/managing the activities related to the distribution of UT Product for quarterly meetings with UT personnel at reasonably agreed upon times and places in order to review and assess DISTRIBUTOR's performance relative to the various obligations described in this Article 4 and elsewhere in this Agreement. Content and reporting metrics of such meetings will be mutually agreed upon between UT and DISTRIBUTOR in advance of the meetings.

ARTICLE 5: OBLIGATIONS OF UT

5.1 Training . UT may in its discretion provide training to DISTRIBUTOR for UT Product at a time and in a manner as determined by DISTRIBUTOR.

5.2 UT Materials . UT shall provide DISTRIBUTOR, upon DISTRIBUTOR's request, with reasonable quantities of sales and marketing materials for UT Product as they are developed by UT, including but not limited to reprints, brochures, package inserts, peer reviewed articles and other scientific and medical information regarding UT Product, informational material and other marketing literature (" **UT Materials** "), for use and distribution by DISTRIBUTOR in accordance with this Agreement. DISTRIBUTOR shall use the UT Materials in accordance with UT's written directions, including providing the package insert to Customers until such time as the package insert is included with UT Product. DISTRIBUTOR shall not revise, alter, change, supplement or reproduce in any manner the UT Materials and their content as provided by UT without UT's advance written permission. Nothing in this provision requires UT to create any specific materials.

ARTICLE 6: ORDERS FOR PRODUCTS

6.1 Purchase Orders . DISTRIBUTOR shall submit written purchase orders to UT by electronic mail or in accordance with written instructions provided by UT. Purchase orders shall be submitted once per month by the 10 th day of the month. Each such order shall set forth: (a) the UT Product ordered including item numbers; (b) quantities in multiples of ten (10) per package reference; (c) requested delivery dates; (d) specific shipping instructions; and (e) if applicable, any relevant export control information or documentation to enable UT to comply with Applicable Laws. Except as otherwise agreed by UT, DISTRIBUTOR shall submit such purchase orders at least five (5) business days prior to the requested delivery dates. DISTRIBUTOR is responsible for good Inventory management processes and subsequent purchases should not deviate negatively by more than 15% from the previous purchase order unless unexpected events occur and are communicated to UT in advance in writing. DISTRIBUTOR may only purchase UT Product from UT or through the acquisition of all or part of a pharmacy authorized to dispense Product. DISTRIBUTOR may only sell UT Product for use by an Included Patient and may not sell, transfer or distribute UT Product to any entity that DISTRIBUTOR knows is likely to resell the UT Product.

6.2 Acceptance of Orders . Each purchase order shall be governed by the terms and conditions set forth in this Agreement with respect to such order to the exclusion of any additional or contrary terms set forth in the DISTRIBUTOR purchase order. Any terms or conditions of such purchase order that conflict with the terms and conditions of this Agreement shall be null and void. Notwithstanding the foregoing, in the event of exigent circumstances, UT shall use its Commercially Reasonable Efforts to accept an emergency purchase order from DISTRIBUTOR two (2) business days prior to the requested delivery date.

6.3 Delivery Terms . Units of UT Product ordered by DISTRIBUTOR and accepted by UT shall be packed for shipment and storage in accordance with UT's standard commercial shipping practices. UT shall use its Commercially Reasonable Efforts to deliver Units of UT Product into the possession of a common carrier for delivery within a reasonable period of time after acceptance of a purchase order by UT. Unless mutually agreed upon by DISTRIBUTOR and UT, no UT Product shall be shipped on a Friday, Saturday or Sunday. Each order may only be shipped, and shall be addressed for shipment, to the Designated Shipment Location specified in Attachment E . Unless UT and DISTRIBUTOR otherwise agree in writing, all deliveries of UT Product shall be F.O.B. DISTRIBUTOR's Designated Shipment Location. UT shall insure each shipment of UT Product with a reputable insurer for the full invoice price of such shipment. Risk of loss and title to UT Product shall pass to DISTRIBUTOR upon delivery at its Designated Shipment Location. UT shall have no liability for any loss, theft, destruction or damage to the Units of UT Product once they have been delivered to a Designated Shipment Location and the exterior has been inspected by DISTRIBUTOR for visible damage without necessity of opening. Each individual package of UT Product shall be inspected within five (5) business days of delivery to DISTRIBUTOR's Designated Shipment Locations. DISTRIBUTOR shall, at its sole cost and expense, insure the Products from the time of delivery at DISTRIBUTOR's Designated Shipment Location until delivery of the Units of UT Product by DISTRIBUTOR to Customer has been completed. In each case such insurance or self-insurance shall be for the UT Product's full replacement value (i.e., market value) against fire, theft, loss or destruction, and such other risks as are customarily insured against by prudent persons in a similar line of business. At UT's request, DISTRIBUTOR shall furnish to UT certificates of insurance evidencing the types and amounts of coverage.

6.4 Modification of Orders . No accepted purchase order shall be modified or canceled except upon the written agreement of both Parties.

6.5 Change Order Charges . If DISTRIBUTOR requests modifications to an accepted order prior to the scheduled delivery date provided in such order, then, in consideration for accepting such change order, UT may extend the scheduled delivery date and/or require DISTRIBUTOR to pay a change order charge equal to the sum of the actual documented non-recoverable costs incurred by UT by reason of such change order.

6.6 Product Changes . Subject to applicable regulatory approval, UT reserves the right, in its sole discretion and without incurring any liability to DISTRIBUTOR except as otherwise provided in this Agreement, to: (a) alter UT Product; (b) discontinue the manufacture of UT Product; or (c) commence the manufacture and sale of new products having features which make UT Product obsolete. UT also reserves the right, in its sole discretion and without incurring any liability to DISTRIBUTOR except as otherwise provided in this Agreement, immediately to alter the specifications or the manufacturing process for UT Product for reasons of health or safety. UT shall fill all accepted purchase orders from DISTRIBUTOR for altered or discontinued UT Product for which manufacturing and commercial deliveries have commenced prior to the effective date of such a change but otherwise shall have no obligation to do so unless the delivery date requested in the

relevant purchase order is prior to the effective date of such a change. UT shall notify DISTRIBUTOR in writing when such modifications or changes occur.

6.7 Rolling Forecasts . DISTRIBUTOR shall provide UT with an annual, non-binding twelve (12) month forecast projecting DISTRIBUTOR's intended purchases of UT Product for the coming twelve (12) months, as well as such other mutually agreeable information. UT shall receive this annual forecast no later than January 10 th of each calendar year. DISTRIBUTOR shall also update UT on a rolling basis each calendar quarter, and each updated forecast shall be received by UT no later than the 10th day of the month following the end of each calendar quarter.

6.8 Chargeback Pricing . Subject to UT's reimbursement of the " **Chargebacks** " (as described below) DISTRIBUTOR shall provide wholesale distribution to certain entities eligible for discounted government pricing (e.g., FSS, VA, PHS (340B)) (" **Discounted Entity** ") as described herein. The discounted government pricing is less than the price at which DISTRIBUTOR purchases UT Product (i.e., less than the Price set forth in Attachment A). DISTRIBUTOR shall create an account for each Discounted Entity purchasing UT Product from DISTRIBUTOR. As part of this process, DISTRIBUTOR shall use commercially reasonable efforts to identify whether the proposed Discounted Entity is eligible for discounted government pricing through direct documentation from the proposed Discounted Entity or through review of data on the HRSA eligibility website or other database resource. As an order for UT Product is received from the Discounted Entity, DISTRIBUTOR shall provide UT Product to the Discounted Entity at the discounted government price. The difference between the discounted government price and the List Price for the UT Product is referred to as the "Chargeback." The Chargeback shall be paid by UT to DISTRIBUTOR by check. When submitting a Chargeback request to UT, DISTRIBUTOR shall include the following information: (i) date of sale to Discounted Entity, (ii) the Discounted Entity's name and address, (iii) product(s) purchased from DISTRIBUTOR (iv) UT's price to DISTRIBUTOR for the UT Product, (v) DISTRIBUTOR's price to the Discounted Entity for the UT Product, and (vi) the amount of Chargeback requested. Chargeback request(s) shall be submitted to UT by the 10 th of each month for all activity in the previous calendar month. UT shall process Chargeback credits due DISTRIBUTOR within thirty (30) days of receipt of the Chargeback submission. DISTRIBUTOR shall not set off Chargebacks owed by UT against any amounts owed by DISTRIBUTOR to UT. Upon termination of this Agreement, if there are any unapplied credits for a Chargeback, UT shall issue a check in the amount thereof to DISTRIBUTOR. Chargebacks paid hereunder constitute reimbursement to DISTRIBUTOR for debits incurred in administering UT discounts to Discounted Entities, and are not, and should not be construed as, remuneration intended to induce DISTRIBUTOR to purchase, order, lease, or recommend any UT product.

6.9 [***]

6.10 [***]

ARTICLE 7: PRICES AND PAYMENTS

7.1 Prices. DISTRIBUTOR shall pay the Prices for UT Product purchased under this Agreement that are in effect at the time of submission of a relevant purchase order by DISTRIBUTOR, except as provided in Section 7.2 below.

7.2 Price Changes . At any time during the term of this Agreement, UT may increase or decrease its Prices for UT Product with notice to DISTRIBUTOR of the effective date of

the price change. Any such price change shall not apply to purchase orders submitted prior to the effective date of the applicable price change.

7.3 Costs . All costs related to shipping, insuring, packing, handling and delivering UT Product to DISTRIBUTOR's facility shall be at the sole expense of UT. All such costs incurred after the instant of delivery to the Designated Shipment Location shall be the responsibility of DISTRIBUTOR. Notwithstanding anything to the contrary in this Agreement, UT may, in its sole discretion, charge DISTRIBUTOR for any and all shipping, packing, handling or delivery charges associated with emergency purchase orders, or if DISTRIBUTOR places three or more orders in a one month period.

7.4 Payment Terms; Invoices . DISTRIBUTOR shall make payments for UT Product within sixty (60) days of its receipt of an applicable invoice from UT. DISTRIBUTOR shall be eligible for a two percent (2%) prompt pay discount if payment is received by UT within thirty (30) days of the date of invoice. All payments shall be made in United States Dollars.

7.5 Provision of Invoices to Government Payers . Upon the request of any federal or state agency with jurisdiction over claims for reimbursement of UT Product, DISTRIBUTOR may provide such agency with invoices received from UT that accurately reflect the actual charge to DISTRIBUTOR for UT Product purchased pursuant to this Agreement with prompt written notice to UT of such request.

7.6 Overdue Payments . If and for so long as any payment from DISTRIBUTOR to UT or UT to DISTRIBUTOR under this Agreement shall be overdue:

(a) Interest shall be due and payable at the rate of twelve percent (12%) per annum, or such lower rate as may be the maximum legally permissible rate of interest, on all balances outstanding from the first date such payment is due until fully paid;

(b) Each Party shall have the right to recover its collection costs and expenses (including reasonable attorneys' fees) for late payments. UT reserves the right to withhold or suspend shipment of UT Product if there is any unsettled or outstanding balance owed or caused by DISTRIBUTOR to UT and to revoke any credit terms it may offer DISTRIBUTOR; and

(c) Overdue payments automatically forfeit any prompt pay discounts referenced in Section 7.4 .

7.7 Tax Payments . Each Party shall pay all taxes, duties, import deposits, assessments and other governmental charges, however designated, that are now or hereafter imposed upon such Party by any governmental authority or agency in connection with the performance of its obligations under this Agreement.

7.8 Resale Prices . The Parties acknowledge that DISTRIBUTOR may offer the UT Product in the Territory at such prices or discounts as DISTRIBUTOR, in its sole discretion, may determine. [***]

7.9 [***]

7.10 Drug Formulary . The Parties acknowledge and agree that no payment made pursuant to this Agreement is intended in any way as a payment related to a drug formulary or drug formulary activities. The Parties acknowledge and agree that no drug formulary or drug

formulary activities have been negotiated or discussed between the Parties in connection with this Agreement.

ARTICLE 8: ACCEPTANCE, WARRANTY AND PRODUCTS SUPPORT

8.1 Acceptance of UT Product . DISTRIBUTOR shall promptly inspect each shipment of UT Product. In the event of any shortage, damage, expiration or discrepancy in a shipment of UT Product on the exterior of the shipment of UT Product that is patently obvious, DISTRIBUTOR shall promptly report the same to UT and furnish such written evidence or other documentation as UT may reasonably request. DISTRIBUTOR shall be deemed to have accepted a shipment and UT shall not be liable for any such shortage, damage, expiration or discrepancy in such shipment unless DISTRIBUTOR provides UT with such notice and substantiating evidence within five (5) days of receipt of the UT Product at DISTRIBUTOR's Designated Shipment Location. Upon receipt of reasonable substantiating evidence of such shortage, damage or discrepancy, UT shall promptly provide additional UT Product or substitute products to DISTRIBUTOR.

8.2 Product Warranty . UT hereby authorizes DISTRIBUTOR to pass on the UT standard warranty set forth in Attachment D to DISTRIBUTOR's Customers in the Territory, which may be revised by UT upon written notice to DISTRIBUTOR.

8.3 Excluded Claims . UT shall not have any additional warranty obligations to DISTRIBUTOR or Customers under Section 8.2 above or otherwise to the extent that DISTRIBUTOR has made any warranties, oral or written, beyond those expressly set forth in the standard UT warranty, set forth in Attachment D hereto. DISTRIBUTOR shall not offer its customers any warranties different from or in addition to those given by UT hereunder.

8.4 Limited Warranty . THE WARRANTIES SET FORTH IN THE UT WARRANTY, ATTACHMENT D HERETO, AND THE OTHER TERMS AND CONDITIONS OF THIS AGREEMENT, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARE HEREBY DISCLAIMED AND EXCLUDED BY UT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. THE SOLE AND EXCLUSIVE REMEDIES FOR BREACH OF UT'S STANDARD WARRANTIES SHALL BE LIMITED TO THE REMEDIES PROVIDED IN UT'S STANDARD WARRANTIES SET FORTH ON ATTACHMENT D HERETO AND AS OTHERWISE PROVIDED IN THIS AGREEMENT.

8.5 Limited Remedy . UT SHALL NOT BE LIABLE TO DISTRIBUTOR OR ANY OF ITS CUSTOMERS FOR LOSS OR DAMAGE CAUSED BY DISTRIBUTOR's DELAY IN FURNISHING UT PRODUCTS UNDER THIS AGREEMENT. UT SHALL NOT BE LIABLE TO DISTRIBUTOR OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS OR CONTRACTORS FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES, EVEN IF UT SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE BY DISTRIBUTOR OR SUCH THIRD PARTY. NOTWITHSTANDING THE FOREGOING, IN CASE OF ANY CONFLICT BETWEEN THE PROVISIONS OF THIS SECTION AND SECTION 12.4 or 12.5 , SECTION 12.4 AND SECTION 12.5 SHALL CONTROL.

ARTICLE 9: REGULATORY APPROVALS, COMPLIANCE AND AUDITS

9.1 Compliance with Applicable Laws . UT shall be solely responsible for, and comply with, Applicable Laws governing the regulation of the manufacture, importation, design, testing, inspection, labeling, sale, warning and instructions for use of UT Product in the Territory, or otherwise applicable to the performance of its obligations under this Agreement. DISTRIBUTOR shall comply with all Applicable Laws governing its distribution and sale of UT Product in the Territory, or otherwise applicable to the performance of its obligations hereunder. Each Party shall comply with Applicable Laws intended to prevent fraud, waste and abuse in federal health care programs, including but not limited to Medicare and Medicaid, and shall conduct its activities hereunder in an ethical and professional manner. Both parties shall take all action necessary and appropriate to assure that it complies with all Applicable Laws, including, without limitation, the Anti-Kickback Statute (42 U.S.C. § 1320a-7B), the Anti-Kickback Act of 1986 (41 U.S.C. § 51 et seq.), the Stark Anti-Referral Law (42 U.S.C. § 1395nn), and any laws and regulations relating to disclosure and notification of plan benefits or the terms of this arrangement as required. The Parties intend to treat all discounts (including, but not limited to, prompt payment discounts) payable by UT hereunder as "discounts or other reductions in price" pursuant to the Anti-Kickback Statute, and to comply with the discount safe harbor set forth at 42 C.F.R. § 1001.952(h). Accordingly, the Parties agree that: (i) DISTRIBUTOR shall, as appropriate, disclose all discounts received hereunder to representatives of Medicare, Medicaid, any governmental authority, and Federal health care programs (as defined under 42 U.S.C. 1320a-7b(f)) (collectively, "governmental entities") upon request in accordance with 42 C.F.R. 1001.952 (h); and (ii) UT shall, if required and as appropriate, properly report all discounts paid hereunder to the appropriate governmental entities for purposes of determining "Best Price" under the Medicaid rebate program and for purposes of determining AMP or ASP under Medicare, if applicable. In addition, Medco's Code of Conduct and its policies and procedures relating to compliance with the above-named laws are available on Medco's website at the following URL: http://www.medcohealth.com/medco/corporate/home.jsp, click on the Investors tab and then the Corporate Governance link and UT's United States Comprehensive Compliance Plan for Approved Pharmaceutical Products is also available on its internet site (www.unither.com).

9.2 Government Inquiries . In the event that DISTRIBUTOR receives an inquiry, or similar notice from a government agency or entity for information or an inspection (a " **Notice** ") which relates to UT Product or this Agreement, DISTRIBUTOR shall: (a) notify and provide a copy to UT of such Notice promptly within three (3) business days of receipt of such Notice; (b) unless expressly prohibited by the Notice, consult with UT regarding its response to the Notice to determine, among other things, whether any of UT's Confidential Information shall be disclosed (which in all events shall be subject to DISTRIBUTOR's obligations specified in Article 10 of this Agreement); (c) keep UT informed of the progress of any inspection and provide UT with prior notice of any documents related to UT Product or UT to be provided to such government entity; and (d) provide UT with a copy of any documents related to UT Product or UT ultimately produced pursuant to such Notice. Further, DISTRIBUTOR shall provide UT with a summary of the results of any inspection and such actions, if any, taken to remedy conditions cited in such inspections. DISTRIBUTOR further agrees to cooperate with any inspection of a shipment of UT Product by a governmental agency.

9.3 Adverse Event Reporting . DISTRIBUTOR shall not be responsible for FDA reporting of adverse events. DISTRIBUTOR shall attempt to warm transfer a caller with potential Adverse Event information to a phone number designated by UT. Otherwise, DISTRIBUTOR shall notify UT by fax to (919) 313-1297, e-mail at

drugsafety@unither.com immediately, or as agreed to by the parties, or at the latest within three (3) business days, of any complaint of a potential Adverse Event from a third party being reported to DISTRIBUTOR. As directed by UT, such fax or e-mail report sent by DISTRIBUTOR shall include information as required by UT in order to adequately report such Adverse Event to FDA.

9.4 Withdrawal or Recall of Product . Any recalls of UT Product shall be conducted in compliance with FDA requirements and the UT standard operating procedure for recalls (" **UT Recall SOP** ") as provided to and accepted by DISTRIBUTOR. DISTRIBUTOR shall prepare and maintain a written standard operating procedure that provides processes for conducting recall-related activities for UT Product as directed by UT and in accordance with the UT Recall SOP. The decision to recall UT Product shall be made solely by UT, unless otherwise dictated by a governmental authority. UT shall be responsible for the expenses related to recall activities as described below, unless the recall results from a breach of any of DISTRIBUTOR's representations and warranties under this Agreement or DISTRIBUTOR's negligence or willful misconduct, in which event DISTRIBUTOR shall be responsible for all of recall-related expenses. For purposes of this Agreement, the expenses of the activities shall be: (i) the reasonable expenses of notification and return or destruction (if authorized by UT) of UT Product, (ii) the cost to replace UT Product, (iii) the costs directly associated with the distribution of replacement UT Product including pharmacist and dispensing labor, cold packs and labels; (iv) reasonable communications to Included Patients such as patient letters, patient phone calls and follow-up customer service; (v) labor associated with managing the recall process; (vi) any expenses associated with dispensing activity missed by DISTRIBUTOR as a result of UT's provision of product to Included Patients beyond that is necessary to replace recalled product; and (vii) shipping and insurance costs associated with returning recalled UT Product. DISTRIBUTOR and UT shall cooperate fully with one another in conducting any activity contemplated by this Section 9.4 . Destruction of recalled product shall be conducted in accordance with the recall plan, as approved by UT under the UT Recall SOP and by any applicable governmental authorities. If instructed by UT, DISTRIBUTOR may return recalled UT Product to UT at UT's expense within thirty (30) days from completion of the recall and UT shall replace the UT Product recalled or refund the cost of such returned UT Product. Any UT Product returned to UT under this Section 9.4 shall be shipped by common carrier in a manner that preserves the integrity of the UT Product shipped, as instructed by UT. Title to the recalled UT Product and risk of loss, theft, destruction or damage to UT Product during shipment as described above shall pass from DISTRIBUTOR to UT upon delivery of recalled UT Product at UT's facility. DISTRIBUTOR's obligation to insure UT Product shall continue with respect to recalled UT Product until UT's receipt of such recalled UT Product.

9.5 Visits by Parties . DISTRIBUTOR shall permit UT to visit its place of business and inspect its records, inventories and other relevant materials and records relating solely to its performance of this Agreement, upon reasonable advance notice and during normal business hours.

9.6 No Returns . UT will not accept the return of any UT Product, unless agreed in writing by UT, except if returned pursuant to a recall under Section 9.4 above.

ARTICLE 10: PROPERTY OWNERSHIP; CONFIDENTIALITY

All Confidential Information and other proprietary materials, documents, information, databases, complete and incomplete case report forms and all data that one Party (" **Disclosing Party** ") supplies to the other Party (" **Receiving Party** ") shall be the sole and exclusive property of the Disclosing Party (" **Disclosing Party Property** "). All Confidential Information shall be deemed

confidential and proprietary to the Disclosing Party. During the term of this Agreement and for a period of five (5) years following thereafter, the Receiving Party shall: (a) not disclose or provide any Confidential Information to any third party, and (b) take reasonable measures to prevent any unauthorized disclosure of Confidential Information by its employees, agents, contractors or consultants during the term hereof including advising such individuals of applicable confidentiality obligations. Upon termination of this Agreement, the Receiving Party shall return or destroy to the Disclosing Party, at the Disclosing Party's request and expense, all unused Disclosing Party Property, except the Receiving Party may keep one (1) copy of such Disclosing Party Property for legal archival purposes.

ARTICLE 11: TRADEMARKS

11.1 Trademark License Grant . UT hereby grants to DISTRIBUTOR, and DISTRIBUTOR hereby accepts from UT, a nonexclusive, nontransferable, and royalty-free right and license, during the term of this Agreement, to reproduce and use the UT Trademarks in connection with the distribution, marketing and sale or other distribution of UT Product in the Territory and in accordance with UT's standards and instructions and for no other purpose. DISTRIBUTOR shall not use any other marks or trade names in connection with the marketing and distribution of UT Product, except that DISTRIBUTOR may use its marks or trade names in a manner consistent with its normal course of business, such as adding a label on the packaging identifying DISTRIBUTOR as a distributor of UT Product, and such use shall not confer on UT any rights or license in DISTRIBUTOR's marks or trade names. UT may inspect and monitor DISTRIBUTOR's use of the UT Trademarks. DISTRIBUTOR shall not remove or alter any UT trade names, trademarks, copyright notices, serial numbers, labels, tags or other identifying marks, symbols or legends affixed to any UT Product, documentation or containers or packages.

11.2 Registration . In its sole discretion, UT may register the UT Trademarks in the Territory if UT determines that registration is necessary or useful to the successful distribution of UT Product. In addition, if UT believes that it is advisable to effect any filing or obtain any governmental approval or sanction for the use by DISTRIBUTOR of any of UT Trademarks pursuant to this Agreement, the Parties shall cooperate to do so. All expenses relating to the registration of the UT Trademarks in the Territory as well as the making of any filing or obtaining any governmental approvals for the use by DISTRIBUTOR of the Trademarks shall be borne by UT.

11.3 Termination of Use . Immediately upon termination of this Agreement, DISTRIBUTOR's license and right granted in Section 11.1 shall be revoked and DISTRIBUTOR shall cease and desist from use of any UT Trademark in any manner, other than to liquidate its then-existing inventory of UT Product within six months of such termination. DISTRIBUTOR hereby grants to UT or its designee, in the event of such termination, full power of attorney, with the right of substitution, to cancel, revoke or withdraw any governmental registration or authorization permitting DISTRIBUTOR to use any UT Trademark in the Territory, and DISTRIBUTOR shall provide such further documentation and assistance as UT may reasonably request in connection therewith.

11.4 Reservation of Rights .

(a) DISTRIBUTOR acknowledges UT's proprietary rights in and to any UT Trademark, subject to the license and right granted in Section 11.1. DISTRIBUTOR shall not adopt, use or register any words, phrases or symbols that are identical to or confusingly similar to any UT Trademark and shall not use any UT Trademark as part of DISTRIBUTOR's corporate or trade name or permit any third party to do so.

(b) UT acknowledges DISTRIBUTOR's proprietary rights in and to any of DISTRIBUTOR's trademarks. UT shall not adopt, use or register any words, phrases or symbols that are identical to or confusingly similar to any of DISTRIBUTOR's trademarks and shall not use any such trademark as part of UT's corporate or trade name or permit any third party to do so.

11.5 Infringements . Each Party shall promptly notify the other Party in writing if it becomes aware of any use in the Territory by any third party of trademark or of any similar mark, which may constitute an infringement of a UT Trademark or DISTRIBUTOR's trademarks. Subject to the provisions of this Article 11 , Each Party shall have the exclusive right, in its sole discretion, to institute proceedings against third-party infringers of its trademarks.

ARTICLE 12: INSURANCE AND INDEMNIFICATION

12.1 Insurance . DISTRIBUTOR shall maintain in effect during the term of this Agreement a comprehensive general liability policy (which may be in the form of primary or excess coverage) in an amount not less than Two Million Dollars ($2,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate. The deductible for such policy shall be no more than One Hundred Thousand Dollars ($100,000) DISTRIBUTOR agrees to provide UT with a certificate of insurance evidencing compliance with this section upon written request of UT.

12.2 Claims . For the purposes of this Article 12 a " **Claim** " shall mean any liabilities, damages, costs or expenses, including, without limitation, reasonable attorneys' fees arising from any claim, lawsuit, demand or other action by a third party.

12.3 DISTRIBUTOR Indemnification of UT . Except as provided in Section 12.4 , DISTRIBUTOR shall indemnify, defend and hold harmless UT, its Affiliates, and their respective officers, directors, employees, agents, successors and assigns from and against any Claim to the extent such Claim relates to or is based on: (a) property damage, personal injury or death resulting from DISTRIBUTOR's negligent or reckless provision or maintenance of UT Product (except to the extent the same results from any wrongful act or omission

of UT); (b) DISTRIBUTOR's violation of Applicable Laws; or (c) any breach by DISTRIBUTOR of any of its representations, warranties, covenants or agreements under this Agreement.

12.4 UT Indemnification of DISTRIBUTOR for UT Product . Except as provided in Section 12.3 , UT shall indemnify, defend and hold harmless DISTRIBUTOR and its Affiliates, and their respective officers, directors, employees, agents and successors and assigns from and against any Claim to the extent such Claim relates to or is based on: (a) property damage, personal injury or death resulting from use of UT Product (except to the extent the same results from any wrongful action or omission of DISTRIBUTOR); (b) UT's violation of Applicable Laws; or (c) any breach by UT of any of its representations, warranties, covenants or agreements under this Agreement.

12.5 Indemnification Procedure . A Party seeking indemnification under this Article 12 (" **Indemnified Party** ") shall give prompt written notice to the indemnifying Party (" **Indemnifying Party** ") of any Claim covered by the indemnification obligations hereunder; *provided, however* , that a delay in such notice shall not terminate the Indemnifying Party's indemnification obligations hereunder, unless such delay shall have materially impaired the defense of such Claim. Such Indemnifying Party shall have sole and exclusive control of the defense of any such Claim, including the choice and direction of any legal counsel; *provided, however* , if Indemnifying Party's choice of legal

counsel would be subject to a material conflict of interest under the applicable rules of professional conduct governing such counsel, the Indemnified Party shall not be obligated to waive such conflict and may request separate legal counsel at the Indemnifying Party's expense. The Indemnifying Party may not settle or compromise any such Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld.

12.6 Litigation Support . In the event and for so long as an Indemnifying Party actively is contesting or defending against any Claim under this Article 12 , the Indemnified Party shall cooperate with the Indemnifying Party and its legal counsel in the contest or defense of such Claim, make available its personnel, and provide such testimony and access to its books and records as shall be reasonably necessary in connection with the contest or defense of such Claim, all at the sole cost and expense of the Indemnifying Party.

12.7 Subrogation . The Indemnifying Party shall be subrogated to the rights of the Indemnified Party against any third party bringing a Claim, and such Indemnified Party hereby assigns to the Indemnifying Party all claims, causes of action and other rights that the Indemnified Party may then have against such third party. Conversely, and without in any way limiting the obligation of either Party to indemnify the other Party as herein provided, to the extent that an Indemnifying Party fails to perform its indemnification obligations under Section 12.3 or Section 12.4 above, the Indemnifying Party hereby assigns to the Indemnified Party all claims, causes of action and other rights which the Indemnifying Party may then have against any third party with respect to any Claim for which indemnification is provided hereunder.

ARTICLE 13: ARTICLE 13 JOINT PUBLICITY

13.1 Public Disclosure . If either Party wishes to make a public disclosure concerning this Agreement or the relationship established hereunder and such disclosure mentions the other Party by name or description, such other Party shall be provided with an advance copy of the disclosure and shall have (to the extent reasonably practicable) five (5) business days within which to approve or disapprove such use or its name of description (including mention of the name of the Product); *provided, however* : (a) approval shall not be unreasonably withheld by either Party; (b) failure to respond within five (5) business days shall be deemed approval; and (c) if approval is denied, no disclosure shall use the name of or otherwise describe such Party except to the extent required by Applicable Laws, or the extent that the description of the other Party is limited to public information about the availability of UT Product.

13.2 Filings with Securities and Exchange Commission . Notwithstanding the foregoing, each Party acknowledges that both Parties are, or are affiliates of, a publicly traded company and each Party hereby consents to the disclosure of this Agreement and the relationship between the Parties in their respective filings with the Securities and Exchange Commission and disclosures to their stockholders; *provided, however* , that each Party shall use commercially reasonable efforts not to disclose the specific financial terms and conditions of this Agreement except when such disclosure is required by Applicable Laws or by this Agreement.

ARTICLE 14: FORCE MAJEURE

14.1 Notice . A Party affected by an event of Force Majeure shall promptly provide the other Party with written notice describing the event, its cause and foreseeable duration, and its possible consequences upon performance under this Agreement.

14.2 Suspension of Performance . After an affected Party has given notice under Section 15.1 , that Party shall be relieved of any performance obligation under this Agreement for obligations which the Force Majeure event prevents, but only to the extent and only for so long as the Force Majeure prevents performance. The other Party may likewise suspend the performance of all or part of its obligations, except for the obligation to pay any amount due and owing and those obligations specified in Section 16.4(c) of this Agreement. Notwithstanding the foregoing, UT shall use Commercially Reasonable Efforts to allocate available UT Product to DISTRIBUTOR at least in proportion to DISTRIBUTOR's historical purchases.

14.3 Substitute Performance . If DISTRIBUTOR is delayed by an event of Force Majeure, UT shall, at its sole option, allow a third party to cover the services related to the distribution of UT Product that DISTRIBUTOR was unable to complete due to its delay and such third party shall receive the fees DISTRIBUTOR would have received during its period of delay.

14.4 Termination . If the period of Force Majeure continues for more than sixty (60) days, either Party may terminate this Agreement upon giving notice to the other Party without incurring liability other than the obligation to make payments due up to and including such date of termination.

ARTICLE 15: TERM AND TERMINATION

15.1 Term . The initial term of this Agreement shall begin on the Effective Date and shall continue in force until February 21, 2012. Thereafter, this Agreement shall automatically renew for additional periods of one (1) year each, unless either of the Parties shall have given the other Party written notice of its non-renewal of this Agreement no later than ninety (90) days prior to the end of the initial or any renewal term hereof.

15.2 Termination . This Agreement may be terminated prior to the expiration of the then current term as follows:

(a) Either Party may terminate this Agreement immediately upon written notice to the other Party if the other Party files a petition of any type as to its bankruptcy, is declared bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, goes into liquidation or receivership, a proceeding is commenced against it which will substantially impair its ability to perform hereunder or such Party otherwise loses legal control of its business;

(b) Either Party may terminate this Agreement upon the occurrence of a material breach by the other Party (including, but not limited to, DISTRIBUTOR's failure to promptly pay sums owing to UT), which breach has not been cured within thirty (30) days of written notice of such breach from the non-breaching Party;

(c) Either Party may terminate this Agreement upon written notice if an event of Force Majeure continues for more than sixty (60) days as provided in Section 14.4 ;

(d) The Parties may agree in writing to terminate this Agreement for their mutual convenience at any time and for any reason, subject to such terms and conditions as they may then adopt;

(e) Either Party may terminate this Agreement at any time, with or without cause, by written notice to the other Party, which shall be effective one hundred and eighty days (180) days after its date; and

(f) If at any time in the future, a change in the reimbursement of UT Product or legal requirements of payers would (a) require the Parties to renegotiate or alter significant terms of this Agreement, or (b) result in a substantial adverse change in the respective financial benefits or burdens accruing to any Party under the terms of this Agreement, then upon written request by either Party in the case of (a), or the affected Party in the case of (b), the Parties shall endeavor in good faith to renegotiate and modify the terms of this Agreement to comply with such new requirements or avoid such substantial adverse change. If the Parties are unable to agree to such modifications within one hundred twenty (120) days of receipt of the written request, then either Party (in the case of (a)), or the adversely affected Party (in the case of (b)) may terminate this Agreement immediately upon expiration of the one hundred twenty (120) day period.

(g) [***]

15.3 Partial Termination . In the event that either Party shall have the right pursuant to the provisions of Section 15.2 to terminate this Agreement in its entirety, that Party may elect, in its sole discretion, to terminate this Agreement solely as it applies to a portion of the Territory, or, if applicable, any category of Customer.

15.4 Rights and Obligations on Termination . If this Agreement is terminated for any reason, the Parties shall have the following rights and obligations:

(a) Termination of this Agreement shall not release either Party from the obligation to make payments of all amounts then or thereafter due and payable, and shall not release UT from its obligations to provide UT Product to DISTRIBUTOR at DISTRIBUTOR's request to service its existing patients as of the effective termination date and until such existing patients are transitioned to another distributor. DISTRIBUTOR and UT shall use their Commercially Reasonable Efforts to achieve such transition as expeditiously as possible after the effective termination date;

(b) Each Party's respective obligations of confidentiality under Article 10 and record retention under Article 17 shall survive as provided in such articles;

(c) Each Party's respective obligations under Section 7.4 , 'Payment Terms; Invoices,' Section 9.1 , 'Compliance with Laws,' the indemnification provisions of Article 12 , this Article 15 and Article 16 , 'Dispute Resolution,' shall survive termination of this Agreement; and

(d) UT shall cause other entities to undertake, or shall otherwise relieve DISTRIBUTOR of its obligations and all costs relating to all PAP Patients, and shall complete such transition or relief with respect to such patients no later than one hundred and eighty (180) days from the termination date. DISTRIBUTOR agrees to use its Commercially Reasonable Efforts to cooperate with such transfer.

ARTICLE 16: DISPUTE RESOLUTION

16.1 Negotiation . The Parties agree to consult and negotiate in good faith to try to resolve any dispute, controversy or claim that arises out of or relates to this Agreement. No formal dispute resolution shall be used by either Party unless and until senior executive officers of each Party have used Commercially Reasonable Efforts to meet in person to achieve such an amicable resolution.

16.2 Submission to Jurisdiction . Each Party irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought the other Party or its successors or assigns shall be brought and determined in the United States District Court for the Southern District of New York (or, if such court does not have jurisdiction, the Supreme Court of the State of New York, New York County), and each of Party hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each Party agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in New York, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in New York as described herein. Each Party further agrees that notice as provided herein shall constitute sufficient service of process and the Parties further waive any argument that such service is insufficient. Each Party hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in New York as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

16.3 Enforcement . The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the Parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any New York state or federal court, this being in addition to any other remedy to which such Party is entitled at law or in equity. Each of the Parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security as a prerequisite to obtaining equitable relief.

ARTICLE 17: RECORDS

During the term hereof and for three (3) years thereafter, or such longer period as may be required by Applicable Laws, DISTRIBUTOR shall maintain accurate records as required to meet Applicable Laws. Except as otherwise required by Applicable Laws, DISTRIBUTOR shall provide UT with access to any reasonably requested documentation related solely to this Agreement during reasonable business hours. UT shall give DISTRIBUTOR seven (7) days' prior written notice of such examinations, which will not occur more than once annually, and such examinations shall be undertaken

only to such extent necessary to verify that the DISTRIBUTOR has complied with the terms of this Agreement.

ARTICLE 18: ARTICLE 18 GENERAL PROVISIONS

18.1 Entire Agreement . This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all the Parties' previous or contemporaneous correspondence, term sheets, understandings, agreements and representations, oral or written between the Parties, including without limitation the Original Agreement and all previous amendments thereto.

18.2 Assignment . Neither Party shall assign or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other Party, which shall not be unreasonably withheld or delayed; *provided, however* , that no such consent shall be required and either Party may transfer all rights and obligations arising hereunder to an entity if it is: (a) an Affiliate; (b) the successor in interest by reason of sale, merger or operation of law; or (c) has acquired all or substantially all of the assets and business. Any unauthorized attempted assignment or delegation shall be null and void and of no force or effect.

18.3 Subcontracting . DISTRIBUTOR shall not, without the prior written approval of UT, appoint any distributors or agents to act on behalf of DISTRIBUTOR (collectively, " **Sub-Distributors** ") to distribute UT Product within the Territory, other than any of its Affiliates. DISTRIBUTOR shall at all times remain fully liable for the performance of any approved Sub-Distributors and DISTRIBUTOR shall provide UT with a written acknowledgement executed by each Sub-Distributor that it has read this Agreement and agrees to be bound by its terms and conditions, including those contained in the attachments hereto. Notwithstanding the forgoing, DISTRIBUTOR may subcontract portions of certain limited functions and responsibilities of this Agreement, provided that the subcontractor performs in a manner conforming to this Agreement, subcontractor enters into a confidentiality agreement no less extensive than required by this Agreement; and DISTRIBUTOR retains full responsibility and liability for the performance of the subcontracted service. At no time shall DISTRIBUTOR subcontract all or substantially all of any given function to a third party without the prior written consent of UT.

18.4 Amendment . This Agreement may not be modified or amended, in whole or in part, except by a written agreement signed by both Parties, and specifically stating that it modifies or amends this Agreement.

18.5 Severability . If one or more of the provisions of this Agreement is subsequently declared invalid or unenforceable, this Agreement shall be treated as though that provision were not in this Agreement, and this shall not affect the validity or enforceability of the remaining provisions of this Agreement (unless those provisions that are invalidated or unenforceable are clearly material and inseparable from the other provisions). The Agreement as modified shall be applied and construed to reflect substantially the good faith intent of the Parties and to achieve the economic effects originally intended by the terms hereof.

18.6 Notices; Language . Except as may be otherwise provided in this Agreement, any notice, demand or request given, made or required to be made shall be in writing and shall be effective, unless otherwise provided herein, either (a) when delivered in person to the other Party, or (b) on the same business day that it is transmitted by facsimile to the facsimile number (s) set forth below, with electronic confirmation of receipt, if transmitted prior to 5:00 p.m. Eastern time on such business day, or on the first business

day following such transmission if transmitted after 5:00 p.m. Eastern Time or if transmitted on a day other than a business day; provided a hard copy is deposited within one (1) day after such transmissions in the U.S. mail, postage prepaid, and addressed as set forth below for notices by U.S. mail; or (c) on the third business day following its deposit in the U.S. mail, postage and addressed as follows:

If to UT:

United Therapeutics Corporation
1040 Spring Street
Silver Spring, Maryland 20910
Attention: John Ferrari, Chief Financial Officer
Telefax: 301-608-9291

With a copy to:
United Therapeutics Corporation
1735 Connecticut Ave. NW
Washington, DC 20009
Attention: Paul Mahon, EVP & General Counsel
Telefax: 202-483-4005

If to DISTRIBUTOR:

Medco Health Solutions, Inc.
100 Parsons Pond Drive
Franklin Lakes, NJ 07417
Attn: General Counsel (Accredo)

18.7 Waiver . Either Party's failure or delay in exercising any remedy for default shall not be deemed a waiver of that or any subsequent defaults of that provision or of any other provision hereof. No waiver shall be effective unless made in writing with specific reference to the relevant provision(s) of this Agreement and signed by a duly authorized representative of the Party granting the waiver.

18.8 Counterparts . This Agreement shall be executed in two (2) or more counterparts in the English language, each of which shall be deemed an original, which taken together shall constitute one and the same instrument.

18.9 Governing Law . Except as provided by federal law, this Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, excluding any conflict-of-laws rule or principle therein contained under which any other law would be made applicable (other than Section 5-1401 of the New York General Obligations Law).

18.10 Relationship . This Agreement does not make either Party the employee, agent or legal representative of the other Party for any purpose whatsoever. Neither Party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party. In fulfilling its obligations pursuant to this Agreement each Party shall be acting as an independent contractor and shall not be deemed to have formed any partnership, joint venture or other relationship.

18.11 Headings . The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

18.12 Signature Authority . Each signatory to this Agreement has signature authority and, is empowered on behalf of his or her respective Party to execute this Agreement.

18.13 Cumulative Remedies . Except as expressly provided in this Agreement, and to the extent permitted by Applicable Laws, any remedies described in this Agreement are cumulative and not alternative to any other remedies available at law or equity.

18.14 HIPAA Compliance . DISTRIBUTOR shall only provide information to UT in a manner consistent with the Health Insurance Portability and Accountability Act of 1996, as amended, 42 U.S.C. § 1320d, et seq., and the implementing regulations promulgated thereunder (collectively referred to herein as " **HIPAA** "). Accordingly, the Parties agree that DISTRIBUTOR shall only provide UT with information that is de-identified in accordance with HIPAA's de-identification provision, 45 C.F.R. § 164.514(b)(2), unless DISTRIBUTOR: (i) has on file a valid, HIPAA-compliant authorization for each patient whose protected health information (" **PHI** ") is sought to be disclosed; or (ii) authorization is not required under Applicable Laws in order to disclose the PHI.

18.15 Nothing herein shall be construed to limit DISTRIBUTOR from entering into other agreements with other manufacturers or wholesalers that allow DISTRIBUTOR to dispense products that compete with UT's Products. Notwithstanding the preceding sentence, DISTRIBUTOR warrants and represents that it will not disparage UT or UT Product

18.16 Each Party shall promptly notify the other Party upon learning of any activity that appears to improperly or inappropriately portray or affect the other Party, its products or Affiliates.

18.17 The Parties do not intend for this Agreement to benefit any Third Party and, therefore, there are no third party beneficiaries to this Agreement.

This Agreement may be declared void by DISTRIBUTOR unless signed by both Parties within thirty (30) days of execution by DISTRIBUTOR.

[Signature page follows]

IN WITNESS WHEREOF , the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

UNITED THERAPEUTICS CORPORATION	**ACCREDO HEALTH GROUP, INC.**
By /s/ Jay A. Watson	By/s/ Lori Marino
Jay A. Watson, Pharm.D. Sr. Vice President, Strategic Operations and Logistics	Name: Lori B. Marino Title: Vice President and Assistant General Counsel

Attachment A

Prices

UT Product

UT Product Name	NDC	Strength	Price
Remodulin 1mg	66302-0101-01	1mg/20ml	$ [***]
Remodulin 2.5mg	66302-0102-01	2.5mg/20ml	$ [***]
Remodulin 5 mg	66302-0105-01	5mg/20ml	$ [***]
Remodulin 10 mg	66302-0110-01	10mg/20ml	$ [***]

UT shall notify the DISTRIBUTOR in writing of any change (and the amount of the change) in the Price of any respective UT Product during the term of this Agreement in the same time and manner as it notifies other similarly situated distributors.

UT shall provide DISTRIBUTOR with a current list of Remodulin prices to Discounted Entities, including FSS prices, Federal Ceiling Prices, and prices to section 340B entities, and shall promptly notify Distributor of any and all changes in such prices as well as the effective dates of such changes.

Attachment B

UT Trademarks Logotypes and Trade Names

UNITED THERAPEUTICS

UNITED THERAPEUTICS CORPORATION LOGO

REMODULIN

MEDICINES FOR LIFE

REMODULIN LOGO

Attachment C

UNITED THERAPEUTICS PATIENT ASSISTANCE PROGRAM GUIDELINES ("GUIDELINES")

The following Guidelines for the United Therapeutics Corporation Patient Assistance Program ("PAP") are being provided to United Therapeutics' designated U.S. Specialty Pharmacy Distributors ("Distributors") as the Program Administrators for the purposes of administering the PAP, as is required by their respective Distribution Agreements. Distributors will be responsible for collecting all required patient demographics, financial and clinical information and for the oversight of the completion of the Enrollment Form Application. In addition, the Distributors will follow these Guidelines and will make all necessary decisions related to patient admission into the PAP. The Distributors shall maintain a detailed and retrievable record of all communications, correspondence, and activities related to the PAP including dispensing of product, and if applicable, supplies, and equipment without charge to the PAP patient. Distributors shall also make reasonable attempts to aid PAP patients in securing third party payer benefits when possible. In addition, it is further understood that Distributors shall take all necessary steps to preserve the confidentiality of patient information gathered under the PAP in accordance with all federal, state and local laws pertaining to patient privacy, except as such confidentiality may be expressly waived by patients. If and when patients that do not meet the criteria set forth in these Guidelines are presented to the Distributors, United Therapeutics Corporation Representative(s) will be consulted prior to Distributors making any decision regarding PAP admission of such patients. Nothing set forth herein shall mandate Distributor providing PAP opportunities where the patients' third party payor prohibits such actions.

In order to be eligible for the PAP, patients must meet all Basic Criteria and qualify for coverage under I, II or III below.

BASIC CRITERIA:

All PAP Patients *must* meet the following Basic Criteria:

- Patient must reside in the United States and be under the direct care of a licensed U.S. Physician and receive health care services via the U.S. Health Care system.
- Patient must not have access to coverage from federal governmental programs or the Commonwealth of Massachusetts.
- Patient must have a documented indication for treatment as approved by the U.S. Food and Drug Administration ("FDA"), and as labeled in appropriate product Package Insert ("PI"). Off-Label indications for treatment will not be eligible for PAP.
- Patient Enrollment Applications must be completed in full, signed by the patient (or legal guardian) and the treating physician, be accompanied by copies of all supporting financial information (as outlined in the application form), and validated by the Distributors.

To determine the type of PAP coverage for which patients who meet these Basic Criteria are eligible, each patient must be assessed to meet on set of criteria set forth under I, II or III below.

ADDITIONAL QUALIFYING CRITERIA:

I. Indigent Patient Criteria for PAP:

An indigent patient meets the following criteria:

- Insufficient out-of-pocket financial resources to pay for therapy;
- Household income levels do not exceed 300% of Federal Poverty Guidelines (2009 HHS) (See Table 1) (Available from: http://aspe.hhs.gov/poverty/);
- No insurance (commercial, governmental, state, local, or special services) coverage (documented); and
- Demonstrates application for and receives denial (written) from a State Medicaid Program. Copies or proof of application and denial are required.

PATIENTS WHO MEET THESE CRITERIA WILL QUALIFY FOR THE PAP FOR A PERIOD UP TO ONE (1) YEAR FROM THE DATE OF ACCEPTANCE. PATIENT HOUSEHOLD INCOME INFORMATION, HEALTH INSURANCE STATUS, AND OUT-OF-POCKET MEDICATION AND SUPPLY EXPENSES WILL BE REEVALUATED ON A QUARTERLY BASIS TO ENSURE CONTINUED ELIGIBILITY. AT THE END OF THE ONE (1) YEAR PERIOD, THE PAP PATIENT WILL BE REQUIRED TO RE-ENROLL (AS THEY DID WITH THE INITIAL APPLICATION) AND PROVIDE PROOF OF INCOME OR LACK OF THIRD PARTY PAYER INFORMATION ELIGIBILITY.

OR,

II. "Bridge" Coverage Patient Criteria for PAP:

- Patient with monthly household income levels below $25,000 AND one or more of the following conditions are also met:
  - Patient has changed jobs or stopped working and has COBRA and/or HIPAA coverage; or
  - Patient has insurance coverage, but there is an exclusion period (new job, new group health plan, acceptance of drug into formulary, etc.). However, if patient will lose insurance coverage by accepting PAP product, they shall be excluded from bridge coverage.

PATIENTS WHO MEET THESE CRITERIA WILL QUALIFY FOR THE PAP FOR A MAXIMUM OF 6 MONTHS OR UNTIL HE/SHE IS ABLE TO OBTAIN THIRD PARTY PAYER OR SIMILAR REIMBURSEMENT CAPABILITIES (WHICHEVER COMES FIRST). PATIENT HOUSEHOLD INCOME INFORMATION, HEALTH INSURANCE STATUS, AND OUT-OF-POCKET MEDICATION AND SUPPLY EXPENSES WILL BE REEVALUATED ON A QUARTERLY BASIS TO ENSURE CONTINUED ELIGIBILITY.

OR,

III. Potential Exhaustion of Insurance Coverage:

- Patient with monthly household income levels below $25,000 and currently has insurance coverage, but such insurance coverage is patient's only source of insurance, it has a lifetime cap on benefits, and patient is within $300,000 of reaching the lifetime cap. A statement from the insurer e.g. Explanation of Benefits (EOB) documenting that the patient is within $300,000 of exhausting a lifetime cap on his or her insurance benefits is required.

PATIENTS WHO MEET THESE CRITERIA WILL QUALIFY FOR THE PAP FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF ACCEPTANCE INTO THE PAP EXCEPT THAT ELIGIBILITY WILL TERMINATE IMMEDIATELY IF PATIENT OBTAINS A NEW SOURCE OF INSURANCE COVERAGE (INCLUDING SUPPLEMENTAL COVERAGE) AND NO LONGER MEETS THE ABOVE CRITERIA. PATIENT HOUSEHOLD INCOME AND INSURANCE STATUS WILL BE REEVALUATED ON A QUARTERLY BASIS TO ENSURE CONTINUED ELIGIBILITY.

Distributor Responsibilities:

It is understood that Distributors will take all reasonable efforts to secure all information to support eligibility of PAP Patients PRIOR to any commitments for start of care. However, it is also reasonable that it may not always be possible to immediately secure all legal documentation to prove a patient's eligibility. Therefore, the Distributors are authorized by United Therapeutics Corporation to obtain, at the very minimum, a completed and signed PAP enrollment form, co-signed by the physician attesting to his or her belief as to the patient's eligibility and use their best judgment as to the patient's eligibility for acceptance prior to receiving all required supporting documentation. This will constitute a twenty eight (28) business day grace period and Distributors will not be liable for products and related supplies and equipment provided to PAP patients during such grace period. However, at the end of the grace period, failure by the Distributor to obtain the required supporting documentation and determine PAP eligibility for that patient will result in termination of that patient's PAP eligibility and the obligation to provide continuity of care shall rest with the Distributor, i.e. Distributor shall provide commercial product for the patient.

Attachment D
UT Warranty

UT warrants that all of its Product shall as of the date such Product arrives at DISTRIBUTOR's Designated Shipment Location: (i) be free from defects in design, material and workmanship; (ii) be in compliance with all applicable law and regulation, including without limitation all regulatory requirements of the FDA, including those related to the adulteration or misbranding of Product within the meaning of Section 501 and 502 of the Food Drug and Cosmetics Act; (iii) not be articles which may not be introduced into interstate commerce pursuant to the requirements of Sections 505, 514, 515, 516 or 520 thereof; (iv) be manufactured in accordance with current FDA Good Manufacturing Practice as required by 21 C.F.R. 210 and 820; (v) are fit for the ordinary purposes for which such Products are intended; and (vi) are not infringing upon the patents or trademarks of any third party.

Attachment E

Designated Shipment Locations and Designated Storage Locations

Name/Address/Phone/Fax	Name/Address/Phone/Fax	Name/Address/Phone/Fax
Accredo Health Group, Inc. 2100 Riverchase Center, Suite 405 Hoover, AL 35244 205-987-0778 800-442-7202 205-987-0332 (Fax)	Accredo Health Group, Inc. 12900 Foster, Suite 120 Overland Park, KS 66213 913-339-7100 800-569-5451 913-339-7440 (Fax)	Accredo Health Group, Inc. 11 A Commerce Way Totowa, NJ 07512 973-256-1870 800-526-5113 973-256-5346 (Fax)
Accredo Health Group, Inc. 10400 North 25 th Avenue, Suite 120 Phoenix, AZ 85021 602-944-1199 800-232-1199 602-944-1787 (Fax)	Accredo Health Group, Inc. 2115 Stanley Gault Parkway, #150 Louisville, KY 40223 502-244-2400 800-553-8832 502-244-5590 (Fax)	Accredo Health Group, Inc. 505 East Capovilla, Suite 103 Las Vegas, NV 89119 702-895-8990 800-234-7044 702-895-8992 (Fax)
Accredo Health Group, Inc. 1831 Commerce Street, Suite 104 Corona, CA 92880 951-737-2355 800-622-1820 951-737-2553 (Fax)	Accredo Health Group, Inc. 520 Elmwood Park Blvd. Suite 145 Jefferson, LA 70123-6827 504-731-6113 800-250-5278 504-731-6112 (Fax)	AHG of New York, Inc. 500 Executive Blvd. Elmsford, NY 10523-1109 914-592-0333 800-680-6843 914-592-5859 (Fax)
Accredo Health Group, Inc. 3069 Research Drive Richmond, CA 94806 510-223-1360 800-842-3399 510-758-1235 (Fax)	Accredo Health Group, Inc. 261 Cedar Hill Street, Bldg. C Marlboro, MA 01752 508-460-9813 800-343-9813 508-460-0072 (Fax)	Accredo Health Group, Inc. 4901 West Reno Rd, Ste 950 Oklahoma City, OK 73127 405-942-3961 800-999-9376 405-949-2689 (Fax)
Accredo Health Group, Inc. 361 Iverness Drive South, Suite F Englewood, CO 80112 303-799-6550 800-488-0290 303-799-6551 (Fax)	Accredo Health Group, Inc. 39625 Lewis Drive, Suite 800 Novi, MI 48377 248-489-0300 800-688-2024 248-489-1126 (Fax)	Home HealthCare Resources, Inc. 800 Clarmont Avenue Bensalem, PA 19020 215-245-7003 800-626-4427 215-245-9038 (Fax)
Accredo Health Group, Inc. 5249 N.W. 33 rd Avenue, Bldg. 6 Ft. Lauderdale, FL 33309-6301 954-777-1685 800-955-5909 954-730-0129 (Fax)	Accredo Health Group, Inc. 2915 Waters Road, Suite 109 Eagan, MN 55121-1562 651-681-0885 800-955-3121 651-681—0977 (Fax)	Accredo Health Group, Inc. 3000 Ericsson Drive, Ste 100 Warrendale, PA 15086 -7502 724-772-6000 888-200-2811 724-742-2450 (Fax)
Accredo Health Group, Inc. 5300 Oakbrook Parkway, Suite 320 Norcross, GA 30093 770-935-2510 800-310-7995 800-554-5545 (Fax)	Accredo Health Group, Inc. 749 Goddard Avenue Chesterfield, MO 63005 636-530-1514 800-285-7384 636-530-1508 (Fax)	Accredo Health Group, Inc. 1620 Century Center Parkway, Ste 109 Memphis, TN 38134 901-385-3600 800-235-8498 901-385-3780 (Fax)

Accredo Health Group, Inc.
2415 Heinz Road
Iowa City, IA 52240-2661
319-354-7844
800-288-3752
319-354-6808 (Fax)

Accredo Health Group, Inc.
422 E. Gallimore Dairy Rd Suite A
Greensboro, NC 27409
336-393-0555
800-866-0566
866-832-3709 (Fax)

Accredo Health Group, Inc.(wholesale)
1680 Century Center Parkway, Ste 8
Memphis, TN 38134
901-3587-3600
877-900-9223
866-628-8942 (Fax)

Accredo Health Group, Inc.
650 West Grand Avenue, Suite 102
Elmhurst, IL 60126
630-249-7390
800-753-5554
630-279-8464 (Fax)

Accredo Health Group, Inc.
11329 — P Street, Suite 118 & 119
Omaha, NE 68137
402-597-2330
800-569-5451
402-597-2333 (Fax)

Accredo Health Group, Inc.
201 Great Circle Road
Nashville, TN 37228
615-352-2500
800-800-6606
615-850-5100 (Fax)

Accredo Health Group, Inc.
11411 Strang Line Rd, Suite A
Lenexa, KS 66215
913-451-2919
800-662-2922
913-451-2939 (Fax)

Accredo Health Group, Inc.
45 Route, 46 East, Suite 609
Pine Brook, NJ 07058
973-276-0794
800-549-2654
973-276-0998 (Fax)

Accredo Health Group, Inc.
9307 Kirby Drive
Houston, TX 77054
713-791-1552
800-878-7690
713-791-9411 (Fax)

Accredo Health Group, Inc.
4343 West Royal Lane, Suite 124
Irving, TX 75063
972-929-6800
800-878-1254
866-435-8451 (Fax)

Accredo Health Group, Inc.
4125 Lafayette Drive, Suite 400
Chantilly, VA 20151
703-817-7707
800-366-1824
888-445-4581 (Fax)

BioPartners In Care, Inc.
11411 Strangline Road
Lenexa, KS 66215
913.451.2919
800.662.2922
913.451.2939 (Fax)

Accredo Health Group, Inc.
3488 South Main Street
Salt Lake City, UT 84115
801-832-0222
800-729-5984
801-832-0333 (Fax)

Accredo Health Group, Inc.
22623 68 th Avenue
South Kent, WA 98032
253-872-2121
800-647-2448
253-872-5663 (Fax)

Critical Care Systems, Inc.
4100 Colonnade Parkway, Suite 175
Birmingham, AL 35243
205.969.1006
205.969.1107 (Fax)

Critical Care Systems, Inc.
11382 Aurora Avenue
Urbandale, IA 50322
(Des Moines)
515.276.1660
515.276.1933 (Fax)

Critical Care Systems, Inc.
3631 44 th Street, Suite C
Grand Rapids, MI 49512
616-458-1400
616-458-1481 (Fax)

Critical Care Systems, Inc.
820 S. University Boulevard
Suite D-E, Building 1
Mobile, AL 36609
251.344.4452
251.344.4451 (Fax)

Critical Care Systems, Inc.
12301 W. Explorer Drive, Suite 126
Boise, ID 83713
208-322-8868
208-322-3330 (Fax)

Critical Care Systems, Inc.
46998 Magellan Drive, Suite 300
Wixom, MI 48393
(Detroit)
248.960.8095
248.960.9172 (Fax)

Critical Care Systems, Inc.
4645 S. Ash Avenue, Suite 1-6
Tempe, AZ 85282
480.897.2927
480.897.8533 (Fax)

Critical Care Systems, Inc.
655 W. Grand Ave
Elmhurst, IL 60126
(Chicago)
630.833.3427
630.833.8020 (Fax)

Critical Care Systems, Inc.
1850 Lackland Hill Parkway
St. Louis, MO 63146
314.991.2400
314.991.2401 (Fax)

Critical Care Systems, Inc.
5880 North La Cholla Blvd, Suite 126
Tucson, AZ 85741
520.297.1351
520.297.5760 (Fax)

Critical Care Systems, Inc.
3700 Vanguard Drive, Suite D
Fort Wayne, IN 46809
260.747.0552
260.747.2126 (Fax)

Critical Care Systems, Inc.
505 East Capovilla Ave, Suite 103
Las Vegas, NV 89119
702.992.4007
702.992.4015 (Fax)

Critical Care Systems, Inc.
1326 W. Winton Avenue
Hayward, CA 94545
(San Francisco)
510.670.1384
510.670.0879 (Fax)

Critical Care Systems, Inc.
5648 West 74 th Street
Indianapolis, IN 46278
317.291.1700
317.291.1777 (Fax)

Critical Care Systems, Inc.
5401 Longley Lane
Building B, Suite 34
Reno, NV 89511
775.829.2100
775.829.2151 (Fax)

Critical Care Systems, Inc.
1950 Rosaline Avenue, Suite C
Redding, CA 96001
530.241.4727
530.241.4600 (Fax)

Critical Care Systems, Inc.
8053 Bond Street
Lenexa, KS 66214
(Kansas City)
913.894.0090
913.894.0095 (Fax)

Critical Care Systems, Inc.
10 Commerce Park North, # 4
Bedford, NH 03110
603.625.8880
603.625.8881 (Fax)

Critical Care Systems, Inc.
14661 Myford Road, Suite B
Tustin, CA 92780
(LA/Orange County)
714.508.2990
714.508.2992 (Fax)
New address effective on or about 4/1/11
17332 Von Karman Ave, Suite 110
Irvine, CA 92614

Critical Care Systems, Inc.
191 Bay State Drive
Braintree, MA 02184
(Boston South)
781.843.6688
781.843.4719 (Fax)

Critical Care Systems, Inc.
15 Technology Place, Suite 2
East Syracuse, NY 13057
315.434.1980
315.434.1985 (Fax)

Critical Care Systems, Inc.
176 Bolton Road

Critical Care Systems, Inc.
246 Boston Turnpike

Critical Care Systems, Inc.
4854 Woodbine Road, Suite 5

Vernon, CT 06066
(Hartford)
860.872.9337
860.872.9155 (Fax)

Shrewsbury, MA 01545
(Boston West)
508.363.3665
508.363.3666 (Fax)

Pace, FL 32571
(Pensacola)
850.994.2333
850.994.0650 (Fax)

Critical Care Systems, Inc.
3100 Medlock Bridge Rd. Ste 335
Norcross, GA 30071
(Atlanta)
770.209.9728
770.209.9695 (Fax)

Critical Care Systems, Inc.
3901 Columbia Avenue, Suite 100
Linwood, PA 19061
(Philadelphia)
610.485.9900
610.485.9903 (Fax)

Critical Care Systems, Inc.
70 Catamore Boulevard
E. Providence, RI 02914
401.435.4030
401.435.4035 (Fax)

Critical Care Systems, Inc.
900 S. Loop West, Suite 170
Houston, TX 77054
713.440.0200
713.440.0400 (Fax)

Infinity Infusion Care
3600 S. Gessner, Suite 100
Houston, TX 77063
888.329.5379
713.686.7576 (Fax)

Critical Care Systems, Inc.
1 North Avenue
Burlington, MA 01803
(Boston North)
781.270.5565
781.270.5575 (Fax)

Critical Care Systems, Inc.
806 Cromwell Park Drive, Suite N
Glen Burnie, MD 21061
(Baltimore)
410.768.0711
410.768.0712 (Fax)

Critical Care Systems, Inc.
10 Donald B. Dean Drive
S. Portland, ME 04106
207.775.3600
207.775.3636 (Fax)

Critical Care Systems, Inc.
1801 Royal Lane, Suite 1006
Dallas, TX 75229
214.574.4700
214.574.8700 (Fax)

Critical Care Systems, Inc.
6185 Shamrock Court
Dublin, OH 43016
(Columbus)
614.791.8700
614.791.0754 (Fax)

Critical Care Systems, Inc.
6380 Flank Drive, Suite 600
Harrisburg, PA 17112
717.540.6800
717.540.6805 (Fax)

Critical Care Systems, Inc.
3243 Old Frankstown Road
Pittsburgh, PA 15239
724.325.9977
724.325.9949 (Fax)

Critical Care Systems, Inc.
2233 S. President’s Drive, Suite B
Salt Lake City, UT 84120
801-978-9600
801-978-0020 (Fax)

Critical Care Systems, Inc.
527B Branchway Road
Richmond, VA 23236
804.378.8005
804.378.8043 (Fax)

Attachment F

Inventory Data Reports

The following reports will be completed timely as indicated herein and provided to UT Management via electronic mail in Microsoft Word ® or Excel ® file formats or comma delimited (" **CSV** ") files and without cost or fee charges to UT.

DEFINITIONS

Reports

Written reports as described in this Attachment F.

Patient Starts

The initiation of commercial Product on an Included Patient for treatment.

Patient Discontinuations

When UT Product is no longer required by the Included Patient for any variety of medical or physical reasons.

Patient Assistance Program (PAP)

A US based program for Included Patients receiving UT Product who are either indigent, under insured, or in jeopardy of losing insurance due to therapy costs. The program allows for access to Product at no charge and demonstration of financial hardships through an enrollment process is required prior coverage. US Distributors are designated administrators of the program on behalf of UT in accordance with this Agreement.

Product Forecasts

Non-binding detailed reports by product size with reasonable estimates of use over a period of no less than 12 calendar months spanning January through December. Forecasts are updated each quarter during the year with revised 12 month calendar forecasts occurring annually. Forecasts may also include planned purchases of equipment or supplies to support the UT Product, where applicable and requested by UT.

Purchase Orders

An official and binding document, generated by the Distributor, to guarantee a request to purchase and pay at a contractual rate for the UT Products.

PROCEDURES: REPORTS

Reports will be provided to UT on a monthly and quarterly basis based on the type of the Report and data collected. These Reports are outlined below and are referenced as Attachments elsewhere in Attachment F (listed as Exhibits 1-4). Reports will consist of:

Report Name	Frequency	Due Following Reporting Period	Exhibits
Product Utilization Report	Monthly	10 th of each month	1
Medicaid Utilization Report	Monthly	10 th of each month	2
340B Covered Entity Reconciliation Report	Monthly	10 th of each month	3
Product Forecast	Quarterly	10 th of month after each quarter	4

Product Utilization Report

The *monthly* Product Utilization Report provides details of Product dispensing activities to commercial (reimbursable) and PAP Included Patients for the Territory. **Exhibit 1** contains a sample Report form.

The Product Utilization Reports will be provided to UT by the DISTRIBUTOR no later than the *10 th of each month* using only the UT approved electronic form.

The Report contains the following three sections:

Product Utilization Data (by size) & Ordering Patients / Month

- Total Number of Remodulin Vials dispensed/sold during the reporting period.
- Total number of orders for vials dispensed/sold accessing the UT Product.

Commercial Inventory On Hand Summary values:

- An Inventory count of UT Product by concentration/size at the end (last day) of the reporting period month.
- A realistic average dispensing/sold quantity of UT Product (a previous 3 month average is recommended).
- Actual Inventory days on hand which is automatically calculated by the Inventory count and average dispensing/sold quantities. The Inventory days on hand are measured based on a 28 day period.
- Purchase Order (PO) Requests for quantities expected to be purchased in order to meet both regular commercial activity and maintain a contractual on hand Inventory balance. (Note: An actual Purchase Order should accompany the Report)
- An Adjusted Inventory quantity is automatically calculated as the sum of the physical Inventory count plus the expected purchases from the PO.
- The Adjusted Inventory Days on Hand. This automatically calculated field is based on the previous data entries and will confirm if the new purchases plus actual Inventory, divided by the average dispensing/sold product will maintain the contractually required Inventory levels.

Patient Assistance Program for consigned inventory to support PAP Included Patients :

- The total Included Patient census on PAP at the beginning of the reporting period.
- The total Included Patient census on PAP at the end of the reporting period.
- Consignment PAP Inventory count of UT Product by concentration/size at the end (last day) of the reporting period month.
- A realistic average estimate of Consigned PAP Inventory dispensed of UT Product (a previous 3-month average is recommended).
- Actual PAP Consigned Inventory days on hand which is automatically calculated by the PAP Consigned Inventory count and average dispensing/sold quantities. The PAP Consignment Inventory days on hand are measured based on a 28 day period.
- PAP Consignment Purchase Order (PO) Requests (if needed for the next period). It is recommended to request a PO for approximately of a 3 to 4 months worth of Consigned Product based on current use. (Note: An actual PO for Consigned Product should accompany the report).
- An Adjusted PAP Consigned Inventory quantity is automatically calculated as the sum of the PAP Consigned physical inventory count plus any expected Consigned Products from the PO.
- The Adjusted PAP Consignment Inventory Days on Hand. This automatically calculated field is based on the previous data entries and will confirm if the new purchases plus actual Inventory, divided by the average dispensing of PAP Consignment product levels.

Medicaid Utilization Report

The *monthly* Medicaid Utilization Report provides the information necessary for UT to manage its Medicaid-related programs. UT is a participant in the Federal Fee Schedule (" **FFS** ") and for the Centers of Medicare and Medicaid Services (" **CMS** "). Participation requirements are for provisions of rebates to CMS for those patients receiving UT Products who are covered by individual State Medicaid programs. **Exhibit 2** contains a sample Report form.

The Medicaid Utilization Report will be provided to UT by the DISTRIBUTOR no later than the *10th of each month* using only the UT approved electronic form.

The Report includes summary of activity for the reporting period (month) that includes a unique patient identifier number (HIPAA compliant), the UT Product size), the quantity dispensed during the reporting period, the Distributor's internal State Medicaid identification number/description, the State of the Program (abbreviated), and any other descriptions or comments to support the data.

340B and VA Covered Entity Reconciliation Report

The *monthly* 340B Covered Entity Reconciliation Report provides the records that are required in order for the Distributor to recover the loss on Product cost incurred due to UT's participation in the FFS and CMS. **Exhibit 3** contains a sample Report form.

The 340B Covered Entity Reconciliation Report will be provided to UT by the DISTRIBUTOR no later than the *10th of each month IF any transactions to 340B*

Covered Entities occurred . Any Reports filed for previous months not reported to UT will be denied for refund. If no activity of 340B sales occurs during the month, no Report submission will be required.

Public Health Services ("PHS") pricing programs as part of FFS participation requires discounted pricing to be offered under the FFS program title known as 340B with whom 340B eligible hospitals or clinics (known as 340B covered entities) are entitled to receive products from FFS/PHS Participating manufactures at reduced price.

In order to facilitate 340B covered entities to obtain the reduced prices, DISTRIBUTOR will offer 340B prices at rates regularly updated and provided by UT when a 340B covered entity identifies itself and requests such prices. If the DISTRIBUTOR purchased UT Product from UT at transfer prices higher than the 340B price, UT will provide payment to the DISTRIBUTOR for the difference between the DISTRIBUTOR's transfer price and the 340B price sold to a 340B covered entity.

The Report must include the following elements:

- 340B Covered Entity Name
- 340B Identification Number
- Date of UT Product Sale
- Quantity of UT Product Sold
- 340B Ceiling Price (per product NDC /sold) — provided by UT
- Total 340B Sales (unit 340B Ceiling price times quantity sold)
- Distributor Transfer price (per product NDC/ sold)
- Transfer price extension (Transfer price time the unit quantity sold)
- Refund due

PROCEDURES: FORECASTS

Forecasts

The non-binding forecasts will be based on reasonable estimates of expected purchases and be presented in Excel Spreadsheet or similar electronic format listed by month and totaled for the calendar year. The forecasts will list each UT Product size for a particular drug category and may include medical devices (such as Infusion Pumps) or supplies needed from UT contracted equipment distributors to support the Product.

At the end of each Calendar quarter, DISTRIBUTOR will revise and update its twelve (12) month rolling non-binding forecasts for future quarters for that twelve (12) month period based on changes in demand and the market. These revised non-binding Forecasts will be provided to UT no later than the *10 th day of first month in the new calendar quarter* unless otherwise specified in this Agreement using the UT approved electronic format (refer to Exhibit 4).

Attachment F

Exhibit 1

Remodulin® Monthly Utilization Report

REMODULIN®

Remodulin® Monthly Utilization Report

This completed Summary Report and all supporting documentation is due to United Therapeutics Corp. no later than the 10th of each month.

Distributor Name:

For Month Ending: (pw97)-MMM'YY)

Report Date: (specify mm/dd/yy)

For Calendar Year:

Section I: Vial Utilization Data (running totals) & Ordering Patients/Month

Month	Remodulin Vial Sizes 1.0 mg	2.5 mg	5.0 mg	10.0 mg	Remodulin Orders* (s.c. & i.v.)
Jan-10					
Feb-10					
Mar-10					
Apr-10					
May-10					
Jun-10					
Jul-10					
Aug-10					
Sep-10					
Oct-10					
Nov-10					
Dec-10					
2009-2010 Totals	0	0	0	0	0

* Includes patient and hospital who received Remodulin including those with multiple strength orders during the reporting period

Active Patient Census Values:

Start of Reporting Period	S.C.:		I.V.:		0
End of Reporting Period	S.C.:		I.V.:		
Gain/Loss	S.C.:	0	I.V.:	0	0

Comments:

Section II: Commercial Inventory On Hand Summary

Remodulin Vial Sizes	1.0 mg	2.5 mg	5.0 mg	10.0 mg
Inventory Count (First of Month):				
Estimated 15 days usage:				
Estimated Inventory Count (Order Receipt Date):	0	0	0	0
3 Month Avg of Total Vials Shipped/Month:				
Inventory Days On Hand:	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Section III: Patient Assistance Program (PAP) • Patients & Inventory Summary

Active PAP Patient Census

Start of Reporting Period:	S.C.:		I.V.:		0
End of Reporting Period:	S.C.:		I.V.:		0
Gain/Loss	S.C.:	0	I.V.:	0	0

Consigned PAP Remodulin Vial Sizes

	1.0 mg	2.5 mg	5.0 mg	10.0 mg
PAP Inventory Count (end of Reporting Period):				
3 Month Avg of Total PAP Vials Shipped/Month:				
Projected PAP Inventory Days On Hand:	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PAP Consignment PO Request (if applicable)				
Adjusted PAP Inventory Qty (Invent count + new PO):	0	0	0	0
Adjusted PAP Inventory Days On Hand:	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

MiniMed Supplies ONLY:

Item Name: (enter)	Qty Requested:
Sof-Set Sub Cut Adm Set	
Sof-Serter Inf Set Insertion Sys	
MiniMed Syringe/Reservoir	
MiniMed Shower Pack	
Opsite IV Prep	
Alcohol Prep Pads	
IV Prep Antiseptic Wipe	
Batteries Remodulin	
Tape	

Regarding Patient Assistance Program (PAP):

United Therapeutics Corporation will provide Remodulin Vials as consigned inventory for the sole purposes of managing approved Remodulin PAP patients (i.v. or s.c. administration routes) enrolled on your specialty pharmacy service. You are responsible for tracking this inventory and insuring it is only used for Remodulin PAP patients. You will be required to pay the current transfer price per Remodulin vial in the event any consigned inventory discrepancies occur that cannot be properly validated. In addition, United Therapeutics Corporation will replace the supplies listed above to support subcutaneous (s.c.) therapy only. Additional supplies needed to support patient care regardless of administration route will be the responsibility of the Remodulin Specialty Pharmacy Service Distributor and not United Therapeutics Corporation. Commercial and Consignment Remodulin Purchase Orders (PO's) requests listed in Sections II and III are informational and are not replacements for actual PO's. All PO's for Remodulin should be listed in quantities of 10.

Electronic Copies to: United Therapeutics:
Jay Watson, John Ferrari

Exhibit 2

Monthly Medicaid Utilization Report

Attachment F
Exhibit 2
Monthly Medicaid Utilization Report

State Medicaid Utilization Report

Distributor Name: Accredo

For Month Ending: 9/30/2010

REMODULIN® (treprostinil sodium) Injection

Pat Seq ID	Product by NDC	Quantity Dispensed	State Medicaid Description	Medicaid State	DEA Code

Exhibit 3
340B Covered Entity Reconciliation Report

Attachment F
Exhibit 3
340B Covered Entity Reconciliation Report

Veterans Administration / FSS and 340B Covered Entity Reconciliation Report

Distributor Name:

Report Date:

For Month of:

REMODULIN® (treprostinil sodium) Injection

	Entity ID#	Date Sold	Prod NDC	Quantity Sold	Ceiling Price per NDC	Ceiling price X Qty Sold	Distrib. Transfer Price/NDC	Transfer Price Totals	Refund Due
Veterans Administration / FSS Entity						$ -		$ -	$ -
						$ -		$ -	$ -
						$ -		$ -	$ -
	340B ID#	Date Sold	Prod NDC	Quantity Sold	Ceiling Price per NDC	Ceiling price X Qty Sold	Distrib. Transfer Price/NDC	Transfer Price Totals	Refund Due
340B Covered Entity Name						$ -		$ -	$ -
						$ -		$ -	$ -
						$ -		$ -	$ -
						$ -		$ -	$ -
					TOTAL	$ -			$ -

Attachment F
Exhibit 4
Product Forecast - Remodulin
Revised: date

Accredo Health Group
Product Forecast - Remodulin

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	12 mo. Totals	
Patient Starts																	
Existing																0	
+ New				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Patients[1]																	
Remodulin vials															#DIV/0!	#DIV/0!	0 #DIV/0!
1mg/ml															#DIV/0!	#DIV/0!	0 #DIV/0!
2.5mg/ml															#DIV/0!	#DIV/0!	0 #DIV/0!
5mg/ml															#DIV/0!	#DIV/0!	0 #DIV/0!
10mg/ml	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0! 0
Total vials/month	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Avg Vials per patient/month	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Mini Med 407C Purchase Forecast (ea)[1,2]																	

Ancillary Supply Forecast																**Totals**
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mini med 407 Belt Clip (ea)[2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mini med 407 Pump Case (ea)[1]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sof-Serter Insertion System (ea)[2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alcohol Prep Pads (bx)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mini med Shower Pak (30/pk)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV Prep Antiseptic Wipe (50/bx)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Opsite IV 3000 2 3/8 x 2 3/4 (100/bx)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sutterfast 1.3 Silver Oxolite(1/bx)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mini med Infset 43" (24/bx)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mini med 3ml syr/reservior (24/bx)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Blenderm Tape 6x6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sof-set QR 43" ext set w/26g ntl (13/bx)																

Comments:
[1] Each patient requires two (2) pumps.
[2] Provided one time with initial shipment

Exhibit 12.1

United Therapeutics Corporation
Ratio of Earnings to Fixed Charges
(Unaudited)

	Year Ended December 31,				
	2010	2009	2008	2007	2006
			$ in thousands		
Earnings:					
Earnings (lossses) from continuing operations before income taxes	$ 147,839	$ 18,767	$ (83,721)	$ 4,477	$ 37,973
Add:					
Loss from equtiy investee	160	141	226	321	491
Fixed charges	20,089	18,326	17,357	16,855	3,589
Less: capitalized interest	(103)	(5,154)	(4,757)	(689)	—
Earnings (losses), as adjusted	$ 167,985	$ 32,080	$ (70,895)	$ 20,964	$ 42,053
Fixed charges:					
Interest expense(1)	$ 19,714	12,875	$ 11,439	$ 14,281	$ 2,417
Capitalized interest	103	5,154	4,757	689	—
Portion of rentals representative of interest factor	272	297	1,161	1,885	1,172
Fixed charges	$ 20,089	$ 18,326	$ 17,357	$ 16,855	$ 3,589
Ratio of earnings to fixed charges	8.36	1.75	(4.08)	1.24	11.72
Excess of fixed charges over earnings	$ —	$ —	$ 88,252	$ —	$ —

(1) Includes amortization of debt discount and issue costs

NOTE: The ratio of earnings to fixed charges should be read in conjunction with the Consolidated Financial Statements and related Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained within our Annual Report on Form 10-K for the year ended December 31, 2010.

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Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

LRx Merger Sub, Inc., a Delaware Corporation

LungRx Limited, a United Kingdom Company

Lung Rx, LLC, a Delaware Corporation

Medicomp, Inc., a Delaware Corporation

United Therapeutics Europe, Ltd., a United Kingdom Company

Unither Biotech Inc., a Canadian Company

Unither.com, Inc., a Delaware Corporation

Unither Neurosciences, Inc., a Delaware Corporation

Unither Pharmaceuticals, LLC, a Delaware Corporation

Unither Pharma, LLC, a Delaware Corporation

Unither Telmed, Ltd, a Delaware Corporation

Unither Therapeutik GmbH, a German Company

Unither Virology, LLC, a Delaware Corporation

QuickLinks

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-118699) of United Therapeutics Corporation,

(2) Registration Statement (Form S-8 No. 333-108169) pertaining to the United Therapeutics Corporation's Equity Incentive Plan,

(3) Registration Statement (Form S-8 No. 333-56922) pertaining to the United Therapeutics Corporation's Equity Incentive Plan,

(4) Registration Statement (Form S-8 No. 333-95419) pertaining to the United Therapeutics Corporation's Equity Incentive Plan,

(5) Registration Statement (Form S-8 No. 333-153695) pertaining to the United Therapeutics Corporation's Share Tracking Awards Plan, and

(6) Registration Statement (Form S-8 No. 333-161995) pertaining to the United Therapeutics Corporation's Share Tracking Awards Plan

of our reports dated February 24, 2011, with respect to the consolidated financial statements and schedule of United Therapeutics Corporation and the effectiveness of United Therapeutics Corporation's internal control over financial reporting, included in this Annual Report (Form 10-K) for the year ended December 31, 2010.

/s/ Ernst & Young LLP

Mclean, Virginia
February 24, 2011

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14 (a)
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Martine A. Rothblatt, certify that:

1. I have reviewed this annual report on Form 10-K of United Therapeutics Corporation;

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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. 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

   d. 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(s) 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: February 24, 2011

/s/ MARTINE A. ROTHBLATT

By: Martine A. Rothblatt, Ph.D.
Title: *Chairman and Chief Executive Officer*

QuickLinks

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14 (a) OF THE SECURITIES EXCHANGE ACT OF 1934

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14 (a)
OF THE SECURITIES EXCHANGE ACT OF 1934

I, John M. Ferrari, certify that:

1. I have reviewed this annual report on Form 10-K of United Therapeutics Corporation:

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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. 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

   d. 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(s) 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: February 24, 2011

/s/ JOHN M. FERRARI

By: John M. Ferrari
Title: *Chief Financial Officer and Treasurer*

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Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14 (a) OF THE SECURITIES EXCHANGE ACT OF 1934

Exhibit 32.1

CERTIFICATION 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 United Therapeutics Corporation (the "Company") on Form 10-K for the period ended December 31, 2010 as filed with the Securities and Exchange Commission (the "Report"), I, Martine A. Rothblatt, Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 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.

/s/ MARTINE A. ROTHBLATT

Martine A. Rothblatt
Chairman and Chief Executive Officer
United Therapeutics Corporation
February 24, 2011

THE FOREGOING CERTIFICATION IS BEING FURNISHED SOLELY PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 AND IS NOT BEING FILED AS PART OF THE FORM 10-K OR AS A SEPARATE DISCLOSURE DOCUMENT.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, OR OTHER DOCUMENT AUTHENTICATING, ACKNOWLEDGING, OR OTHERWISE ADOPTING THE SIGNATURE THAT APPEARS IN TYPED FORM WITHIN THE ELECTRONIC VERSION OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, HAS BEEN PROVIDED TO UNITED THERAPEUTICS CORPORATION AND WILL BE RETAINED BY UNITED THERAPEUTICS CORPORATION AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Exhibit 32.2

CERTIFICATION 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 United Therapeutics Corporation (the "Company") on Form 10-K for the period ended December 31, 2010 as filed with the Securities and Exchange Commission (the "Report"), I, John M. Ferrari, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 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.

/s/ JOHN M. FERRARI

John M. Ferrari
Chief Financial Officer and Treasurer
United Therapeutics Corporation
February 24, 2011

THE FOREGOING CERTIFICATION IS BEING FURNISHED SOLELY PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 AND IS NOT BEING FILED AS PART OF THE FORM 10-K OR AS A SEPARATE DISCLOSURE DOCUMENT.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, OR OTHER DOCUMENT AUTHENTICATING, ACKNOWLEDGING, OR OTHERWISE ADOPTING THE SIGNATURE THAT APPEARS IN TYPED FORM WITHIN THE ELECTRONIC VERSION OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906, HAS BEEN PROVIDED TO UNITED THERAPEUTICS CORPORATION AND WILL BE RETAINED BY UNITED THERAPEUTICS CORPORATION AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

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Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002