

Valeant Pharmaceuticals International, Inc.  
 Form 4  
 December 27, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 ValueAct Holdings, L.P.

2. Issuer Name and Ticker or Trading Symbol  
 Valeant Pharmaceuticals International, Inc. [VRX]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 435 PACIFIC AVENUE, 4TH FLOOR,  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/22/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 See remarks

SAN FRANCISCO, CA 94133

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock, no par value				(A) or (D) Code V Amount (D) Price	26,959,901	I	See footnotes (1) (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Restricted Share Units	(3)	12/22/2010		A <sup>(4)</sup>	614	05/12/2010 05/12/2019	Common Stock, no par value	614
Restricted Share Units	(3)	12/22/2010		A <sup>(4)</sup>	723	05/22/2008 05/22/2017	Common Stock, no par value	723
Restricted Share Units	(3)	12/22/2010		A <sup>(4)</sup>	728	05/20/2009 05/20/2018	Common Stock, no par value	728

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ValueAct Holdings, L.P. 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	X			See remarks
ValueAct Capital Master Fund, L.P. 435 PACIFIC AVENUE 4TH FLOOR SAN FRANCISCO, CA 94133	X			See remarks
VA Partners I, LLC 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	X			See remarks
ValueAct Capital Management, L.P. 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	X			See remarks
ValueAct Capital Management, LLC 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	X			See remarks
ValueAct Holdings GP, LLC 435 PACIFIC AVENUE, 4TH FLOOR	X			See remarks

SAN FRANCISCO, CA 94133

## Signatures

VALUEACT HOLDINGS, L.P., By: VALUEACT HOLDINGS GP, LLC, its General Partner, By:/s/ George F. Hamel. Jr., Chief Operating Officer	12/27/2010
__Signature of Reporting Person	Date
VALUEACT CAPITAL MASTER FUND, L.P., By: VA PARTNERS I, LLC, its General Partner, By:/s/ George F. Hamel. Jr., Chief Operating Officer	12/27/2010
__Signature of Reporting Person	Date
VA PARTNERS I, LLC, By:/s/ George F. Hamel. Jr., Chief Operating Officer	12/27/2010
__Signature of Reporting Person	Date
VALUEACT CAPITAL MANAGEMENT, L.P., By: VALUEACT CAPITAL MANAGEMENT, LLC, its General Partner, Chief Operating Officer	12/27/2010
__Signature of Reporting Person	Date
VALUEACT CAPITAL MANAGEMENT, LLC, By:/s/ George F. Hamel. Jr., Chief Operating Officer	12/27/2010
__Signature of Reporting Person	Date
VALUEACT HOLDINGS GP, LLC, By:/s/ George F. Hamel. Jr., Chief Operating Officer	12/27/2010
__Signature of Reporting Person	Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The securities reported herein are directly beneficially owned by ValueAct Capital Master Fund, L.P. and may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.
- (2) Each reporting person listed herein disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that such person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
- (3) Each restricted share unit (RSU) represents a contingent right to receive one share of Common Stock, no par value, of Valeant Pharmaceuticals International, Inc. (the "Common Stock"). The RSUs were awarded to G. Mason Morfit as a Director of the Issuer.
- (4) Represents dividend equivalents accrued on RSUs as a result of a dividend paid on the Common Stock on December 22, 2010.
- (5) Under an agreement with ValueAct Capital, G. Mason Morfit is deemed to hold the restricted share units for the benefit of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

### Remarks:

- The reporting persons herein may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934.
- G. Mason Morfit, a member of the management board of ValueAct Holdings GP, LLC, serves on the board of directors of the

Joint Filer Information:

Name: ValueAct Capital Master Fund, L.P.  
Address:435 Pacific Ave, 4th Floor, San Francisco, CA 94133  
Designated Filer: ValueAct Holdings, L.P.  
Issuer & Ticker: Valeant Pharmaceuticals International, Inc. (VRX)  
Date of Event Requiring Statement: 12/22/10

Name: VA Partners I, LLC  
Address:435 Pacific Ave, 4th Floor, San Francisco, CA 94133  
Designated Filer: ValueAct Holdings, L.P.  
Issuer & Ticker: Valeant Pharmaceuticals International, Inc. (VRX)  
Date of Event Requiring Statement: 12/22/10

Name: ValueAct Capital Management, L.P.  
Address:435 Pacific Ave, 4th Floor, San Francisco, CA 94133  
Designated Filer: ValueAct Holdings, L.P.  
Issuer & Ticker: Valeant Pharmaceuticals International, Inc. (VRX)  
Date of Event Requiring Statement: 12/22/10

Name: ValueAct Capital Management, LLC  
Address:435 Pacific Ave, 4th Floor, San Francisco, CA 94133  
Designated Filer: ValueAct Holdings, L.P.  
Issuer & Ticker: Valeant Pharmaceuticals International, Inc. (VRX)  
Date of Event Requiring Statement: 12/22/10

Name: ValueAct Holdings GP, LLC  
Address: 435 Pacific Ave, 4th Floor, San Francisco, CA 94133  
Designated Filer: ValueAct Holdings, L.P.  
Issuer & Ticker: Valeant Pharmaceuticals International, Inc. (VRX)  
Date of Event Requiring Statement: 12/22/10

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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