ALLERGAN INC
Form DEFA14A
July 24, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
¨ Definitive Proxy Statement
¨ Definitive Additional Materials
x Soliciting Material Pursuant to §240.14a-12

Allergan, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

_____

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

_____

(4) Proposed maximum aggregate value of transaction:

_____

(5) Total fee paid:

_____

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

_____

(2) Form, Schedule or Registration Statement No.:

_____

(3) Filing Party:

_____

(4) Date Filed:

On July 23, 2014, Allergan, Inc. prepared the following presentation:

July 2014
Allergan
A Specialist in the Biopharmaceutical
& Medical Device Industries

2
2
Forward-Looking Statements
®
&

Marks

owned by Allergan, Inc.
JUVÉDERM ® is a registered trademark of Allergan Industrie SAS
All other products are registered trademarks of their respective companies

This presentation contains forward-looking statements, including statements regarding product acquisition and development approvals, market potential, expected growth, operational efficiencies, a proposed offer made by Valeant, and Allergan s expe estimated or anticipated future results, including Allergan s earnings per share and revenue forecasts, among other statements. looking statements herein are based on Allergan s current expectations of future events and represent Allergan s judgment on date of this presentation. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual resul materially from Allergan's expectations and projections. Therefore, you are cautioned not to rely on any of these forward-looki and Allergan expressly disclaims any intent or obligation to update these forward-looking statements except as required to do s Actual results may differ materially from Allergan s current expectations based on a number of factors affecting Allergan s b including changing competitive, market and regulatory conditions; the timing and uncertainty of the results of both the research development and regulatory processes; domestic and foreign health care and cost containment reforms, including government p and reimbursement policies; revisions to regulatory policies related to the approval of competitive generic products; technologi and patents obtained by competitors; the ability to obtain and maintain adequate protection of intellectual property rights; the p new products, including obtaining government approval and consumer and physician acceptance, the continuing acceptance of marketed products, and consistency of treatment results among patients; the effectiveness of promotional and advertising camp potential for negative publicity concerning any of Allergan s products; the timely and successful implementation of strategic i including expansion of new or existing products into new markets; the results of any pending or future litigation, investigations uncertainty associated with the identification of, and successful consummation, execution and integration of, external corporate initiatives and strategic partnering transactions; potential difficulties in manufacturing; and Allergan s ability to obtain and suc maintain a sufficient supply of products to meet market demand in a timely manner. In addition, matters generally affecting the

international economies, including consumer confidence and debt levels, changes in interest and currency exchange rates, polit uncertainty, international relations, the status of financial markets and institutions, impact of natural disasters or geo-political e state of the economy worldwide, may materially affect Allergan s results.

These and other risks and uncertainties affecting Allergan s businesses and operations may be found in Allergan s most recen Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, including under the heading Risk Factors filings, as well as Allergan's other public filings with the U.S. Securities and Exchange Commission (SEC), can be obtained wi the SEC's web site at www.sec.gov. These SEC filings are also available at Allergan s web site at www.allergan.com along w Allergan s press releases and additional information about Allergan. For further information, you can contact the Allergan Inv Department by calling 714-246-4636.

Allergan Now

We
have
built
a

pre-eminent specialty pharmaceutical and medical device company based on a track record of innovation and shareholder value creation

#1 or #2 positions in high growth markets, based on premium high quality products

Taking advantage of market dislocation and weakening competitors

Targeted expansion into high value geographies and

new
specialty
areas

Innovation
in
products
and
marketing
drives
our
success

Prolific
R&D
generates
products
that
customers
want
and
make
us
a
market
leader

Sophisticated
and
proprietary
sales,
support
and
marketing
infrastructure

Allergan in the Future

Our
management
team
is
best
positioned
to
drive
growth
through
innovation
and

operational
excellence

Continue
to
maximize
value
through
market
expansion
and
new
market
creation

In
mid-2013,
management
and
our
Board
of
Directors
began
working
on
a
plan
to
further
enhance
sales
and
earnings performance

Organization
Re-design

Refocusing
our
resources
on
the
highest
yielding
initiatives

Right-sizing,
adapting
and

simplifying
our
structure
and
processes

Past
strong
SG&A
investments
have
created
critical
mass
that
can
now
be
leveraged

R&D:
heavy
concentration
on
programs
already
in
clinic

There
will
be
no
compromise
to
our
commercial
strategy
and
low
impact
to
our
long-term
revenue
growth
targets

We
will

maintain
strength
in
our
R&D
pipeline
to
bring
innovative
therapies
to
patients
Highlights of Allergan Business
4

Allergan Has Delivered Outstanding Growth Over Time
ALPHAGAN
®
,
TAZORAC
®
Launch,

BOTOX
®
Investment
Inamed
Acquisition
BOTOX
®
Chronic
Migraine (US) Approval
5
BOTOX
®
Cosmetic
Approval
Denotes
periods
of
accelerated
growth
Re-structuring
Sales Performance Over Time ($bn)
EPS Performance Over Time
Multiple
Product
Approvals
Accelerating
Growth
Leveraging
Critical Mass
RESTASIS
®
(US)
Approval
EPS
adjusted
for
non-GAAP
items
and
2002
spin-off
of
Advanced
Medical
Optics,
Inc.
Includes
the
effect
of

EITF
04-8.
Historical
EPS
adjusted
for
Q2
2007
stock
split.
A
reconciliation
of
non-GAAP
items
may
be
found
under
the
heading
Non-GAAP
Financial
Reconciliations
in
the
investor
relations
section
of
the
www.Allergan.com
website.
1
Excludes
estimated
diluted
earnings
per
share
impact
of
pro-forma
AMO
spin-off
adjustment.
2
Pre
IRS
Tax

Settlement.
3
2006
EPS
growth
excludes
FAS
123R
stock
option
expense.
4
2012
EPS
growth
includes
the
2012
Obesity
impact
of
$0.10
and
the
2012
R&D
Tax
Credit
impact
of
$0.06.
5
2013
EPS
Growth

Restating
2012
to
exclude
the
2012
Obesity
impact
of
$0.10
and
including
the
2012

R&D Tax Credit impact of $0.06.

6 Represents mid-point of July 21, 2014 guidance.

Leading Market Share Position in
Growing Markets
6
US$
sales,
share
and

growth
estimates
Sources:
Eye
Care

IMS
Global
(53
countries)
at
Q1-14
constant
exchange
rates
+
some
actual
US
retina
sales
data,
Topical
Acne

US
only

IMS,
Neuromodulators

AGN
estimates
of
WW
(at
AR)
and
Top
10
Markets
(at
AR
with
growth
at
AR
and
AGN
14

BR), Mixture of Public Information (Earnings Releases, 10Ks, 10Qs), D&B, AGN Internal Data, Syndicated Marketing Research Reports, and Analyst Reports (1) MAT = Moving Annual Total (trailing 12 months)

Allergan
2,042%
FDA approved
JUVÉDERM
®
VOLUMA
XC

10/23/13
Announced acquisition
of Inamed for ~$3bn
11/15/05
FDA approved
RESTASIS
®
12/24/02
FDA
approved
BOTOX
®
for
cosmetic
use
04/15/02
FDA
approved
BOTOX
®
(Chronic
Migraine)
10/15/10
Delivering Consistent Outperformance and Driving
Long-Term Shareholder Value
Exceed
/
Meet
Guidance
Missed
Guidance
7
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Performance Against
Company Guidance:

NBI
765%
S&P500
103%
Allergan Has Exceeded Its Guidance Virtually Every Year For the Past 15 Years
Source: FactSet as of 07/21/14.

Allergan
Is
Now
The
Market
Leader
In

Multiple
Therapeutic
Areas
BOTOX
®
Therapeutic
-
Spasticity, CD, Chronic
Migraine, JCP,
Osteoarthritis
(Ph 2),
Pain
(Ph
2),
Depression
(Ph
2),
etc.
* Plastic surgery & dermatology
Ophthalmics
Glaucoma
-
LUMIGAN
®
-
ALPHAGAN
®
-
GANFORT
-
COMBIGAN
®
-
IOP lowering
-**Bimatoprost**
Sus. Release
(Ph 2
Ph 3)
Retina
-
OZURDEX
®
-
NOVADUR
®
(Brimonidine)
(Ph 2 Confirmatory)
-
AGN 150998 (Anti-VEGF
DARPin

®
(Ph 2
Ph 3))
-
Anti-VEGF-A / PDGF-B
DARPin
®
(Pre-Clinical)
-
TKI
(Pre-Clinical)
Urologics
Neurology
Medical
Dermatology
TAZORAC
®
-
Cream
-
Gel
ACZONE
®
-
Topical Acne
BOTOX
®
Therapeutic
-
Hyperhidrosis
(Axillary)
AGN-199201
(Oxymetazoline) (Ph 3)
-
Rosacea
BOTOX
®
Therapeutic
-
Overactive Bladder
Dry Eye
-
RESTASIS
®
-
REFRESH
-
OPTIVE
®
Ocular Surface

Disease
-
ACUVAIL
®
-
ZYMAXID
®
-
LASTACAFT
®
Medical
Aesthetics
*
Physician
Dispensed
Creams
-
SkinMedica
®
-
VIVITÉ
®
-
M.D. FORTE
®
Soft Tissue Support
(Plastic Surgery)
-
SERI
®
Dermal Fillers
-
JUVÉDERM
®
-
VOLUMA
-
VOLBELLA
®
-
VOLIFT
®
BOTOX
®
Cosmetic
-
Glabellar Lines
-
Crow s Feet Lines
LATISSE

®
-
Eyelash Growth
-
Brow
(Ph
3)
-
Scalp
(Ph
2
-
POC)
TEM
-
Pain
(Ph
2)
Nocturia
-
Ser-120
(Ph
3)

Current Footprint In Our Pillars
SEMPRANA
®
(Registration)
-
Migraine
(Acute Therapy)
BOTOX
®
Therapeutic
-
Neurogenic Detrusor
Overactivity
Breast Aesthetics
-
NATRELLE
®
BOTOX
®
Therapeutic
-
Premature Ejaculation
(Ph 2)
8

Significant R&D Investment
Consistently Fueling the Pipeline
9
1
Adjusted for non-GAAP items. A reconciliation of non-GAAP items may be found under the heading Non-GAAP Financial M
the investor relations section of the www.Allergan.com website. (Periods 1998-2001 not restated for 2006 change in financial
amortization of acquired intangible assets). [2] Includes Allergan Medical activities for 9 months. [3] Excludes Obesity Interventi

divested in Q4 2013. * Represents the midpoint of expectations provided on July 21, 2014.

US
12 FDA Approvals
EU
ROW

BOTOX
®

Chronic Migraine

BOTOX
®
Cosmetic
Crow s Feet Lines

BOTOX
®
Overactive Bladder

BOTOX
®
Neurogenic Detrusor Overactivity

BOTOX
®
Spasticity (UL)

JUVÉDERM
®
+ Lidocaine

JUVÉDERM VOLUMA

XC

LUMIGAN
®
0.01%

NATRELLE
®
410 Highly Cohesive
Anatomically Shaped Silicone-Filled Breast
Implants

OZURDEX
®
Uveitis

OZURDEX
®
DME

ZYMAXID
®

BOTOX
®

Chronic Migraine

BOTOX
®
Idiopathic Overactive Bladder
(Positive Opinion)

BOTOX
®
Neurogenic Detrusor Overactivity

GANFORT

Unit Dose

LUMIGAN
®
0.01%

LUMIGAN
®
0.03%
Preservative
Free
Unit
Dose

OZURDEX
®
RVO

VISTABEL
®

Crow s Feet Lines (Positive
Opinion)

ALPHAGAN
®
P 0.01% (Japan)

BOTOX
®
Chronic Migraine (Canada, LA &
Asia)

BOTOX
®
Overactive Bladder (Canada &
Asia)

BOTOX
®
Neurogenic Detrusor Overactivity
(Canada, LA & Asia)

BOTOX
®
Spasticity (Japan)

LATISSE
®*

Canada

Brazil

Parts of East Asia

NATRELLE
®
Round Silicone Gel-Filled Breast
Implants and Style 133 Tissue Expanders
(Japan)

RESTASIS
®
(Canada)
Key Recent Approvals will Drive Growth in the Medium Term
10
Pipeline success has further positioned Allergan for sustained
medium-term growth with enhanced returns on investment

Driving Sustainable Operational Efficiencies
Without
Compromising Effectiveness
No
compromise
to
our

commercial strategy and low impact to our long-term revenue growth targets
Maintain strength in our R&D pipeline to bring innovative therapies to patients
~$475M in annual operational efficiencies expected to be realized in 2015
Allergan 2014 - 2019 Double-Digit Sales CAGR despite a ~50 b.p. reduction*
>20% EPS CAGR
2016 EPS - ~$10.00
Additional free

cash flow of ~$18bn** and significant borrowing capacity to drive strategic options and financial flexibility

* There was a ~50 basis point reduction in the Sales CAGR (2014E - 2019E) between guidance provided on May 12, 2014 vs. the guidance provided on July 21, 2014.

** 2014 - 2019

11

Allergan Has an Enduring Vision and a Goal to Create an
Even Stronger Company
Revenue Goal: ~$12bn by 2019

Double
digit
sales

growth
(2014E

2019E)

>20%
EPS
CAGR
(2014E

2019E)

Franchise
leadership:
#1
or
#2
in
every
category
Our earnings growth is
founded on quality net
sales growth
In short, our profit
comes from serving the
needs of physicians
and their patients
Customer-centric
We have a unique
employee culture that
drives our success
Action orientated and
flexible with a premium
placed on generating
results
Culture & Values
We have an enduring
model for the future
founded on an R&D
pipeline that is informed
by our intimate
knowledge of our
customers and the
franchises in which we
choose to operate
Innovation
12

Recognition of Allergan Management by Third Parties
13
David Pyott named Best CEO in Healthcare - Pharmaceuticals
--
Institutional Investor
November 2013

Jeff Edwards named Best CFO in Healthcare Pharmaceuticals
--
Institutional Investor
November 2013
Allergan named Best Investor Relations Team in Healthcare Pharmaceuticals
--
Institutional Investor
November 2013
David Pyott named Best CEO in Healthcare - Pharmaceuticals
--
Institutional Investor
November 2012
Jim Hindman named Best Investor Relations Professional in Healthcare Pharmaceuticals
--
Institutional Investor
November 2012
Jeff Edwards named Best CFO in Healthcare Pharmaceuticals
--
Institutional Investor
November 2012
Allergan named Best Investor Relations Team in Healthcare Pharmaceuticals
--
Institutional Investor
November 2012
David Pyott ranked #26 as one of the Best Performing CEO s in the World
--
Harvard Business Review
2012

Recognition of Allergan Management by Third Parties
14
David Pyott named Top CEO in
Healthcare -
Pharmaceuticals
--
Institutional Investor

December 2011
Allergan named among the best in investor relations in the pharmaceutical sector
--
Institutional Investor
December 2011
David Pyott named Top CEO in Healthcare - Pharmaceuticals
--
Institutional Investor
February 2010
Jeff Edwards named one of America s best CFOs
--
Institutional Investor
February 2010
Allergan named Top IR Company in Healthcare - Pharmaceuticals
--
Institutional Investor
February 2010
David Pyott ranked number #50 as one of the 100 Best-Performing CEO s in the World
--
Harvard Business Review
February 2010
Allergan named Most Shareholder-Friendly Company in the Pharmaceuticals / Specialty category (February 2006 / February 2008 / March 2009)
--
Institutional Investor

Allergan s
promising
outlook
on
long-term
growth
driven

by
new
product
innovation
and
operational
excellence:

Additional
free
cash
flow
of
~$18bn
to
drive
strategic
options
and
financial
flexibility

5-year
double
digit
revenue
growth
and
>20%
EPS
CAGR
Investor
community
has
realized
an
increase
in
Allergan
value
as
our
management
team
has
and
will
continue
to
enhance

business performance and outlook

To further enhance stockholder value, Allergan remains focused on ongoing value driving opportunities

Allergan management team best equipped to deliver significant value for stockholders

our track record speaks for itself

Conclusions

Allergan management and Board of Directors are committed to delivering the highest value for

stockholders
15

16
2014 Update

Another Outstanding Quarter Highlights the Strength of
Allergan s Business Model
Q2 2014 Guidance
(Issued May 7)
$1,725M -
$1,800M
$1.41 -

$1.44
16% -
18%
Actual Q2 2014
Results
$1,827M
$1.51
24%
Product Net Sales
Non-GAAP Diluted
EPS
Non-GAAP Diluted
YOY EPS Growth
Strong
business
momentum
continued
in
2nd
quarter
with
record
dollar
sales
growth
Depth
and
breadth
of
contribution
made
by
nearly
all
therapeutic
areas
and
geographies
Leverage
of
SG&A
investments
in
a
thoughtful
&
disciplined
approach
17

Strong Business Momentum Continues to Accelerate
Sales & EPS Growth
*
Sales
growth
in
local

currency
retrospectively
adjusted
to
exclude
Obesity
Intervention
Business.
**
2012
EPS
growth
includes
the
2012
Obesity
impact
of
$0.10
and
the
2012
R&D
Tax
Credit
impact
of
$0.06.
2013
EPS
Growth

Restating
2012
to
exclude
the
2012
Obesity
impact
of
$0.10
and
including
the
2012
R&D
Tax
Credit
impact

of
$0.06.
FY 2012
FY 2013
YTD Q2 2014
Sales Growth*
10%
12%
16%
EPS Growth**
15%
16%
22%
Quarterly Sales & EPS Performance
18

Allergan s 2014 Full Year Earnings Outlook
Continues to Improve
FY 2014
Product Net Sales
Non-GAAP
Diluted EPS
Non-GAAP

Diluted EPS YOY
Growth
$6.8bn -
$7.0bn
$5.64 -
$5.73
18% -
20%
$6.7bn -
$7.0bn
$5.36 -
$5.48
12% -
15%
Feb. 5 Guidance
May 12 Guidance
July 21 Guidance
$6.9bn -
$7.1bn
$5.74 -
$5.80
20% -
22%
19

20

Plants
R&D Facilities
Allergan is a Global Market Leader Driven by a Long
Allergan is a Global Market Leader Driven by a Long
Track Record of Innovation
Track Record of Innovation
David

Pyott
is
3
rd
CEO
in
63
year
history
Approximately
11,700
employees
worldwide
Power
and
sustainability
of
growing
markets
Balanced
growth
across
geographies
and
specialties
40
direct/selling
subsidiaries
in
No.
America,
Europe,
Asia-Pacific,
Latin
America
Leading
market
share
positions
in
its
key
specialty
areas
Streamlined,
efficient
manufacturing
and
R&D
facilities

21

Recession Proof Business Model
Unique & Durable Product Portfolio

Complexity and size of molecule

Manufacturing and regulatory barriers
22

Product
Patent Expiration Date
ALPHAGAN
®
P 0.10%
2022
COMBIGAN
®
2022
LUMIGAN
®
0.01%
2027
RESTASIS
®
2024
LASTACAFT
®
2029
ACZONE
®
2016
TAZORAC
®
GEL
2014
BOTOX
®
& Neuromodulators
over 100 use and process
patents, expiring out to 2031
(1) Requirement for bio-equivalence study has created a barrier for Gx entry
Sales ($bn)
R&D Ratio
Durable Business Model Continues To Create
Tremendous Shareholder Value
(1)

China

Poland

Turkey
Korea

Philippines

South Africa
Emerging Markets: Latin America, Asia (excluding Australia and New Zealand), EAME Emerging Markets
Growth in Local Currency
* CAGR calculated on sales in Dollars
Represents The Start of
Direct Operations
Russia

Indonesia

Vietnam
Targeted Expansion into High Value Geographies
23

Allergan Operates in Large, Growing Markets
WW Ophthalmic Market ($bn)
WW Neuromodulator
Therapeutic Market ($bn)
WW Aesthetics Market ($bn)
25
* Market projections based on Allergan estimates

Focus And Commitment Resulting In Leading Market Share Positions
Note:
Percentages denote growth rates

of
Allergan s
franchises
for
Neuromodulators,
Fillers
and
Breast.
Percentages
for
Ophthalmics
including
Retina
denote
IMS
growth
rates.
Sources:
Ophthalmics

IMS
Global
(53
countries)
at
Q4
2013
constant
exchange
rates.
Neuromodulator/Filler/Breast/Banding

Mixture
of
public
information
and
AGN
data
*
Neuromodulators
include
Therapeutic
and
Cosmetic
Neuromodulators *
Fillers
Breast
26
$0.6

$0.8
$1.0
$1.1
$1.2
$0.8
$0.8
$0.8
$0.9
$0.9
J&J
acquired
Mentor
Valeant
acquired
Medicis
AGN #2
AGN #1
AGN #1
AGN #1
AGN #1
AGN #1
AGN #1
AGN #2
AGN #2
AGN #2
Ophthalmics
$1.7
$1.9
$2.2
$2.5
$2.8
Valeant
acquired
Medicis
AGN #1
AGN #1
AGN #1
AGN #1
AGN #1
30%
28%
7%
23%
8%
12%
11%
12%
11%
10%
8%

0%
NVS
$14.6
$16.5
$17.9
$19.3
$20.9
Valeant
acquired
Bausch
&
Lomb
Novartis
acquired
Alcon
AGN #2
AGN #2
AGN #2
AGN #2
AGN #2
6%
9%
11%
12%

Differentiated Portfolio And New Product Offerings To
Address A Large, Growing Ophthalmic Market

Glaucoma

Worldwide
market

in
units
continues
to
grow,
especially
outside
the
U.S.

Allergan
portfolio
includes
1
st
line,
adjunctive
and
fixed
combination
products

Bimatoprost
Sustained
Release
to
address
patient
compliance

Therapeutic Dry Eye

Large
underserved
patient
population

New
branded
products
expected
to
stimulate
market
growth

RESTASIS
®
X
in

development and other candidates to enter clinic in 2014 and 2015

Retina

OZURDEX ®

Retinal Vein Occlusion and Uveitis

entry points into larger markets

Diabetic Macular Edema approved in the U.S. June 30, 2014

DARPin ®1 (Anti-VEGF)

announced positive Phase 2 data and

advancing
to
Phase
3
Trial
(June
30,
2014)
* Market projections based on Allergan estimates
1
Indications/Compounds under investigation
2
Dry Eye includes Therapeutic Dry Eye and OTC Tears
WW Ophthalmic Market ($bn)
27

Allergan Has Established The Neuromodulator Market And Is The Market Leader

Originally established with movement disorders

Establishing markets for new indications where BOTOX

®
is the only approved neuromodulator

Chronic Migraine, Overactive Bladder and
Neurogenic Detrusor Overactivity

Estimate 5-7 years of high growth period, followed
by prolonged moderate growth

Overseas markets
establishing reimbursement
and pricing can take an additional 2 years

Majority of current neuromodulator market is
represented by *BOTOX*
®
sales in movement disorders,
migraine and bladder

BOTOX
®
for therapeutic indications is cited in scientific
literature almost 3x competitors combined

BOTOX
®
is being studied in 7 additional indications

Extremely high market barriers to entry (regulatory,
clinical studies, physician training)
WW Neuromodulator Therapeutic Market ($bn)
* Market projections based on Allergan estimates
28

Leading Aesthetics Franchise With Multiple New Offerings
And Customer Loyalty

BOTOX
®
Cosmetic Franchise

Favorable demographics

Power of brand recognition

Patient loyalty

Crow s Feet Lines approved in 2013

JUVÉDERM®
Franchise

VOLUMA

U.S. Launch late 2013

VYCROSS

Technology

VOLIFT
®
/
VOLBELLA
®
/ VOLUMA

stimulating
market growth

Breast Aesthetics

NATRELLE
®
410 shaped silicone U.S.
approved in 2013

Continued penetration in premium priced
reconstruction market
WW Aesthetics Market ($bn)
* Market projections based on Allergan estimates
29

Worldwide DTC Investment (in $bn)
Our Investments Are Focused On Generating
Sustainable Sales Growth
30
Allergan Creates And Builds Markets With Focused Investment
Note: Sales CAGR calculated on 2008-2014 Est. sales. 2014 Est. sales based on mid-point of guidance provided on July 21, 20

Patient Focused
Physician Focused

Direct-to-consumer advertising

Award winning campaigns driving
significant patient education ad

disease/product awareness

TV, Print, Online

Comprehensive Patient Savings and CRM

Brilliant Distinctions®
with over 1.4 million
U.S. women enrolled

Customer Savings

Feedback to Practices (over 13,000
accounts)

Helping patients get the treatment
they need

BOTOX®
/OZURDEX®
PATIENT
ASSISTANCE®
covering cost for insured and uninsured

Co-Pay foundation support

BOTOX®
Partnership for Access offering co-
pay assistance for out-of-pocket expenses

Industry leading disease state
education in Ophthalmology

Didactic/Live physician training
programs for injection
paradigm/technique

Extensive programs in Optometry
including Jumpstart for Teaching
Institutions

Practice consultation

Dedicated teams helping to enhance
office flow and logistics

Comprehensive reimbursement
support

Allergan Retina Coverage Connection

BOTOX®
Reimbursement Solutions
31
Allergan Maintains Market Leadership By
Putting Customers First

Allergan's Multi-Faceted Sales & Marketing Approach
Builds Value for Customers
32
Increasing access
to product
Helping physicians
build their practice

Exposure to and options for
products patients want
Classical pharmaceutical detailing
Classic detailing
is only one
component of a
successful
marketing effort
Sophistication of sales and marketing is an integral part of Allergan's success and
differentiation
Foundation
Supporting Sales
Force

Product Innovation Allows Allergan s Sales Infrastructure To Be Highly Successful
33

Creating new markets where none existed

Often targeting larger market

opportunities

Higher margin products, cash pay and reimbursement markets

Develop differentiated, commercially successful products

Drives customer loyalty

Optimizes better products for patients

Pipeline in a product

Employ efficient R&D model with probability of success higher than the industry

Specialty focused

Local drug delivery

Allergan Innovation Has Created New
Therapeutic Markets
1.
2007
Report
of
the

International Dry Eye WorkShop (DEWS). Ocul Surf. 2007; IMS HEALTH Confidential and Proprietary; Source: IMS MAT Q3-13 + CE Mark Data from 11 European Countries at Q3-13 Constant Exchange Rate. The first and only therapeutic product indicated for the treatment of dry eye Global Dry Eye Market The first and only product indicated

for
prophylaxis
of
headaches
in
patients
with
Chronic
Migraine
Post-*RESTASIS*
®
(Tears and Rx)
2013
Sales (in $bn)
Pre-*RESTASIS*
®
(Tears only)
2002
2014 E
Sales (in $bn)
2010
(*BOTOX*
®
Chronic
Migraine Launch)
U.S. *BOTOX*
®
Chronic Migraine Sales
34

And Also Led In The Creation Of The Aesthetic Market
BOTOX
®
single handedly expanded the aesthetic
market
Global Neuromodulator Cosmetic Market
First and only FDA approved to instantly add volume to


the cheek area
Sales (in $bn)
2013
Sales (in $bn)
2006
Global Filler Market
35
(Cosmetic)
2013
Pre-*BOTOX*
®
Cosmetic
Approval
(2001)

Successful Customer First
Approach
Sustains Market Leadership in Neurotoxins
Builds Shares in Fillers
36
Global
Neuromodulator

Market
Share
-
Quarterly
Global Fillers Market Share
Yearly
*
Others
includes
Xeomin
/
Bocouture,
Neuronox
/
Meditoxin,Prosigne
/
C-BTX-A,
Botulax
and
NeuroBloc
/
Myobloc.
Products
listed
are
registered
trademarks
of
their
respective
companies.
Source:
mixture
of
public
information
(earnings
releases,
earnings
call,10K s,10Q s)
AGN
internal
data,
syndicated
marketing
research
reports,
and
analyst
reports

Valeant announces Medicis Acquisition
09/03/12, completed 12/11/12
(Valeant / Galderma / Ipsen)

Successful Customer First
Approach In Key US Franchises
37
US Aesthetic Neuromodulator Market Share
US Filler Market Share
Products
listed

are registered trademarks.
Source: Guidepoint Global (historical figures Q1 14 and prior basedupon the March 2014 panel). May 2014 figures based on May 2014 panel.
Filler Unit share based on core injectors (dermatologists and plastic surgeons).
(1) Includes all Valeant (Medicis) fillers, including the Restylane® brand.
Allergan is gaining market share (e.g. Fillers) in key franchises
(Valeant)
(Merz)
#1
#1

#1
#1
#1
#1
Medicis / Valeant
Pre-Acquisition
May 2014
Restylane
®
#1 Brand
#3 Brand
Filler Franchise
#1 Brand
#2 Brand
(Despite January 2014 sales force increases)
Dysport
®
Market Share
Pre-acquisition: ~17%
May 2014: ~14%
#2
#2
#2

Sources:
Eye
Care

IMS
Global
(53

countries)
at
MAT
Q1
2014
constant
exchange
rates.
Excludes
retina.
Valeant acquired Bausch
& Lomb
Market Size
($B)
Market
Position
Growth
1H 2013
Growth
2H 2013
Growth
Q1 2014
Market
14.3
5.8%
8.1%
8.8%
NVS
4.3
#1
5.9%
9.1%
8.2%
AGN
3.2
#2
10.2%
13.6%
15.1%
VRX/BOL
1.2
#3
11.5%
6.2%
5.2%
YoY Growth Among Top Ophthalmology Players
New Products Driving Allergan Ophthalmic Growth
Global Eye Care Excluding Retina
38

BOTOX
®
Worldwide Sales And R&D Spend
US Product Approvals
39
Sales (in $bn)
BOTOX

®
Total R&D Spend
BOTOX
®
Worldwide Sales (incl. Tx & Cos)
2000:
Cervical Dystonia
2004:
Hyperhidrosis
2010:

Upper Limb Spasticity

Chronic Migraine
2011:
Neurogenic
Overactive
Bladder
1989:

Blepharospasm

Strabismus
2002:
Glabellar Lines
Since
1989,
28
BOTOX®
Indications
Have
Been
Approved
Across
87
Countries
Cumulative
BOTOX®
Sales
Through
2013:
$15.7bn
Source:
IMS
US$MMs
Sales
@
actual
rates
(1996

to
2013)
53-country
rollup.
Note:
R&D
cumulative
between
1992

2013.
Revenue
cumulative
between
1997

2013.
Total Sales:
$15.7bn
Cumulative
R&D: $1.6bn
2013:

Crow s
Feet Lines

Idiopathic
Overactive
Bladder
Unique Innovative Insights Have Built Pipeline Within A
Product
2013

Investment in R&D for *BOTOX*
®
Has Created
Blockbuster Franchise
40
($Bn)
BOTOX®

Current Sales
(2013): $2.0bn
If R&D stopped before
Cervical Dystonia Approval,
BOTOX®
would be a $0.4bn
product (2013)
If R&D stopped before
Glabellar lines Approval,
BOTOX®
would be a $0.9bn
product (2013)
If R&D stopped before UL
Spasticity & Chronic Migraine
Approval, *BOTOX*®
would be a
$1.5bn product (2013)
If R&D stopped before Neurogenic
Overactive Bladder Approval, *BOTOX*®
would be a $1.7bn product (2013)
R&D Saved
Cumulative
Sales
Foregone
$0.3
$0.4
(1
*
)
$0.5
$0.8
(3
*
)
$1.0
$5.0
(11
*
)
$1.5
$10.6
(13
*
)
* Denotes number of years the new indication has been on market

41
JUVÉDERM
®
WORLDWIDE SALES & R&D SPEND
US & Key OUS Product Approvals
Sales (in $bn)
US 2006:

JUVÉDERM®
Ultra,
Ultra Plus
US 2010:
JUVÉDERM®
Ultra
XC, UltraPlus XC
with lidocaine
US 2013:
JUVÉDERM®
VOLUMA
TM
XC
Cumulative
Sales: $2.2Bn
Cumulative
R&D: $0.2Bn
Strong Innovative R&D is a Formula Repeatable in Other
Allergan Assets
Note: Allergan R&D cumulative between March 2006-2013.
VOLBELLA®&
VOLIFT®
Canada 2011:
VOLUMA
TM
XC
Europe 2009:
VOLUMA
TM
XC,
Ultra Smile, Ultra
XC, Ultra Plus XC
with lidocaine
Asia Pacific 2010:
JUVÉDERM®
Ultra
XC, UltraPlus XC
with lidocaine

More Approved Indications vs. Competing Toxins

With Better Awareness and More Established Studies in the Medical / Academic Community

Major Indications

BOTOX

®
DYSPORT
®
XEOMIN
®
Cervical Dystonia
Blepharospasm
Hemi Facial Spasm
JCP
Spasticity
Chronic Migraine
OAB
NDO
Hyperhidrosis
Glabellar Lines
Crows Feet Lines
BOTOX
®
Is The Undisputed Leader In Neuromodulators
Therapeutic Use
Cosmetic Use
Peer-Reviewed Literature on Commercially
Available Botulinum Toxins
42
28 Worldwide
indications

$0.4
$0.6
$0.7
$0.8
$1.0
$1.2
$1.3

$1.3
$1.4
$1.6
$1.8
$2.0
60%
60%
58%
57%
52%
50%
50%
52%
51%
51%
52%
54%
40%
40%
42%
43%
48%
50%
50%
48%
49%
49%
48%
46%
WW *BOTOX*
®
Revenue ($Bn)

US therapeutic represents >70% of WW Sales

Significant international opportunity

Therapeutic indications require multi-faceted sales and marketing program

Therapeutic indications typically require more units per treatment than cosmetic indications
BOTOX
®
Growth Well Diversified as Therapeutic Growth Outpaces Cosmetic Growth
USA:
Cosmetic
Europe
Cosmetic

USA:
Hyperhidrosis
Japan:
Cosmetic
USA:
Chronic
Migraine
Europe[1],
Asia[1], LA:
Chronic
Migraine
USA, LA[1],
Europe[1]
Neurogenic
Detrusor
Overactivity
Europe[1], Asia[1],
LA[1]:
Migraine
Asia[1], LA[1],
Europe[1]:
Neurogenic
Detrusor
Overactivity
Europe[1]:
Overactive
Bladder
USA:
Overactive
Bladder, Crow s
Feet Lines
Europe:
Crow s
Feet Lines
Asia:
Overactive
Bladder
1
Approved in several countries within Latin America (LA), Europe (EUR) and Asia (ASIA).
43
Denotes Approvals
Europe:
Adult
Spasticity
Europe:
Hyperhidrosis
Europe:
Cosmetic
USA:
Adult

Spasticity
Cosmetic
Therapeutic

2010
Products
launched
by
company
1
2015E

2
2000
16
Co. B
17
Co. A
20
Co. K
11
Co. J
12
AGN
13
Co. I
13
Co. H
13
Co. G
15
Co. F
15
Co. E
16
Co. D
16
Co. C
2005
Source:
Independent
Global
Consultant
1
Includes
products
launched
in
the
20
years
preceding
given
year
and
in
the
year
itself
2
Based
on

consensus
analyst
forecasts
Co. G
11
Co. C
11
Co. K
11
Co. B
11
Co. I
13
Co. E
14
Co. J
14
Co. H
14
Co. F
14
AGN
15
Co. A
16
Co. D
17
Co. F
10
Co. C
11
Co. I
11
Co. J
12
Co. G
12
Co. A
13
Co. K
13
Co. E
14
Co. H
14
Co. B
14
AGN
15
Co. D

16
6
6
7
8
9
9
9
Co. A
Co. E
Co. I
10
Co. H
11
Co. K
11
Co. D
11
AGN
13
Co. F
Co. C
Co. G
Co. J
Co. B
15
14
12
9
X
Average
Consistently Outperforming Peers in R&D Innovation
44

Based on a Development Strategy That Delivers Success
Higher Than Industry Average (2000-2012)
Local therapy vs. systemic administration improves approval POS
Data provided by CMR (Thomson Reuters)
1.7x Better
than Industry
(Ph. 1 to

Market)
45

Waves Of Innovation Are The Key To
Multi-Pronged Value Creation
JUVÉDERM®
JUVÉDERM®
XC
VYCROSS
®

VOLBELLA
®
VOLUMA
TM
XC
46
VOLIFT
®
ALPHAGAN
®
0.2%
ALPHAGAN
®
0.15%
ALPHAGAN
®
0.1%
COMBIGAN
®
Portfolio Of
Products
Drives
Customer
Loyalty
Optimized
Products For
Patients
BOTOX
®
Blepharospasm
BOTOX
®
Glabellar Lines
BOTOX
®
Chronic
Migraine
Pipeline In A
Product
BOTOX
®
Bladder
LUMIGAN
®
Unit Dose
LUMIGAN
®
0.03%
LUMIGAN
®

0.01%
GANFORT
TM
Unit Dose
GANFORT

Improved efficacy
Better tolerated
Less systemic exposure
Substantial Sales Return On Relentless Product
Optimization / Life Cycle Extension Products
Improvements:
Reduced ocular

allergies
Improved efficacy
Much lower ocular
allergies
($ in bn)
47

Value Created Through Investments in
All Pre-Phase III Projects
Abandoning pre-phase III projects will be value destructive
48
All currently approved and ongoing development projects
required or require pre-phase 3 work
If

Allergan were to stop DARPin® development today

Cumulative R&D Spend 1992 – 2013
2014 – 2024 Potential Additional Sales Associated with R&D Spent
Cumulative Sales 1997 – 2013
Potential Phase 3 R&D Savings *
Potential Cumulative 10-year DARPin® Sales*
$0.35bn $0.40bn

Note: All projections based on Allergan estimates.
* R&D investments and potential sales figures are from Wet AMD only, and exclude Dual DARPin®

.

Wet AMD
Glaucoma
U.S. Patient Population
U.S. Market (3)
1.8 million

(1)
~ $2.7 billion
Allergan's R&D pipeline potentially provides patients and physicians a better solution to existing products. With Allergan s expertise, these products are poised to be game changers in the treatment paradigm.
DARPin®
Bimatoprost Sustained-
Release Implant
Allergan's
Potentially
Differentiated
Solutions
3.8 million
(2)
~ $1.0 billion
Significant Market Opportunity for Allergan's Potentially
Differentiated Treatments of Widespread Ophthalmic Diseases
(1)
Arch
Ophthalmol.
2004;122(4):564-572.
doi:10.1001/archopht.122.4.564
(2)
Glaucoma
patient
population
represents
Glaucoma
(NEI
2010)
&
Ocular
Hypertensives
(based
on
estimates
using
Varma,
Ophthalmology
2004).
(3)
Represents
total
value
of
respective
market
based
on
current
market

data.
49
(2013)
(Potential Implant
Sub-market)

Retina Market Overview
Retina market is the largest and fastest growing Ophthalmic market
(1)
Considerable growth in the retina market has been entirely driven by rapid adoption of Anti-VEGF therapies in exudative AMD and other key retina indications
Global
Retina Market

U.S Market Share
(of Retina Market)
(3)
2011
2012
2013
LUCENTIS®
97%
64%
56%
EYLEA®
1%
34%
43%
Improving treatment duration & offering choices are
key market drivers as evidenced by Eylea®'s rapid
market share gain
Eylea®
provides comparable clinical results to
Lucentis®
with less frequent injections
Future Anti-VEGF therapies that can provide additional
improvement in treatment duration should quickly
capture branded share
DARPin®
could
provide
the
next
leap
in
treatment
duration
&
has
~$20BN
in
potential
cumulative
10
year
Sales
(2)
(1)
Market projections based on Allergan estimates.
(2)
Potential sales figures exclude Dual DARPin®.
(3)
Based upon public information & SEC filings, Allergan internal data, syndicated marketing research reports & secondary sourc
50

Vascular endothelial growth factor (VEGF) is
important in the pathogenesis of neovascular (wet)
AMD and drugs that block VEGF have been shown to
improve vision in patients with the disease
Patient and physician convenience could make
DARPin®
the

market
leader.
DARPin®
could
require
fewer injections with at least equal efficacy to
competing treatments
DARPin® s are potent biologics which may address
significant unmet medical needs in large patient
populations in various disease areas
Potential to be best in class for wet AMD, due
to favorable pharmacokinetic profile: high
binding affinity, long half-life and good
stability
Could potentially offer dosing every 3 months versus
monthly injections required for Lucentis®, which is a
significant burden for patients
Potential Phase 3
R&D Spend
(1)
Potential Cumulative 10-year
DARPin®
Sales
(1)
DARPin®
is a Differentiated Asset That Will Be a Leading
Treatment for Wet AMD and Beyond
Note:
All
projections
based
on
Allergan
estimates.
(1)
R&D
investments
and
potential
sales
figures
are
from
Wet
AMD
only,
and
exclude
Dual
DARPin®.

51
DARPin®
Represent Significant
Commercial Opportunity
Importance of
(Dollars in Billions)

Abicipar Pegol
(*DARPin*
®
)
2mg (23 pts)
Abicipar Pegol
(*DARPin*

®
)
1mg (25 pts)
Ranibizumab
(Lucentis
®
)
0.5mg (16 pts)
Mean Visual Acuity Improvement from Baseline (Letters)
16 Weeks
8.2
6.3
5.3
20 Weeks
9.0
7.1
4.7
Ocular Inflammation
AE s (pts)
2
3
0
There were no serious adverse events reported in any study group
Material from new manufacturing process to be used in Phase 3 program
Allergan
will
initiate
Phase
3
Studies
in
the
2
nd
quarter
of
2015
Recap of Positive Data from *DARPin*®
Abicipar Pegol
(Anti-VEGF *DARPin*®) Stage 3, Phase 2
(1) (2)
(1)
In
the
double-masked
trial,
a
total
of
64

patients were randomized to abicipar pegol 1mg (n=25), abicipar pegol 2mg (n=23) or ranibizumab 0.5mg (n=16) and were followed for 20 weeks. All patients received doses at the start of the trial and at 4 and 8 weeks. Patients in the ranibizumab arm of the study received additional doses at

12 and 16 weeks. Patients who were treated with either dose of abicipar pegol received sham injections at 12 and 16 weeks. Patients in all arms of the study were well matched for demographics and baseline characteristics. (2) No statistical significance between treatment groups; study not powered to show statistical

significance
52

Glaucoma Market Overview
Glaucoma is a global and growing epidemic
Impacts 3.8
million people in the U.S.
(2)
Leading cause of irreversible blindness
globally

Loss of vision decreases quality of life
and daily functioning
Significant indirect societal cost ~ $1.5Bn
per annum in the U.S.
(3)
(1)
Market
projections
based
on
Allergan
estimates
(2)
Glaucoma
patient
population
represents
Glaucoma
(NEI
2010)
&
Ocular
Hypertensives
(based
on
estimates
using
Varma,
Ophthalmology
2004).
(3)
Quigley
and
Broman.
Br
J
Ophthalmol.
2006.
Global Glaucoma Pharma Market
(1)
53

Inability to correctly and reliably instill eye drops (1)(2)
Adverse effects associated with taking eye drops (3)
The number of medication

and the complexity of the dosing schedule (4)(5)(6)(7)

Understanding of glaucoma including the consequences and its treatment (1)(2)(8)

Medication cost (9)

Patient forgetfulness (2)(5)(8)

A sustained-release, prostamide-loaded, bioerodible implant

Injected into the anterior chamber

Can be performed in the office

Ensures patient compliance

~ 20%

Of Patients are Not Well Managed On Topical Drops (10)

Bimatoprost Sustained-Release Implant is a Significant Global Opportunity

Noncompliance is an Issue with Current Treatments

Bimatoprost Sustained-Release Implant is a Significant Innovation

(1) Wu and Yin. Chinese J Ophthalmology. 2010.
(2) Stryker et al. J Glaucoma. 2010.
(3) Zimmerman et al. J Ocular Pharmacol Ther. 2009.
(4) Robin and Covert. Ophthalmology. 2005.
(5) Patel and Spaeth. Ophthalmic Surg. 1995.
(6) Olthoff et al. Ophthalmology. 2005.
(7) Stewart et al. J Ocul Pharmacol Ther. 2004.
(8) Taylor et al. J Ocul Pharmacol Ther. 2002.
(9) Schwartz and Quigley. Surv Ophthalmol. 2008.
(10) Truven Health MarketScan®

Research Databases, August 2013 (Data on file with Allergan) & Anwar Z et al.
Current Opinions Ophthalmology 2013.
Disruptive, first-in-class
technology
Data from Phase 2 clinical trials
suggests that bimatoprost
sustained-release implant efficacy
is comparable to daily topical
bimatoprost with duration of 4-6
months
If approved, bimatoprost sustained-release implant for glaucoma has potential to change the treatment paradigm
54

Overview of Today s Plan to Restructure Our Operations & Processes
~13% reduction in workforce
Site closures
~1,500 employees &
~250 vacant positions

3
Annual Cost reductions*
~ $475M
Our ongoing effort to improve efficiency and productivity will further increase stockholder value
* Includes $27M of Gross Margin enhancements
56

Driving Sustainable Operational Efficiencies
Without
Compromising Effectiveness
Organization Re-design

Refocusing our resources on the highest yielding initiatives

Right-sizing, adapting and simplifying our structure and processes
Selling, General and Administrative (SG&A)

Past strong investments have created critical mass that can now be leveraged
Research & Development (R&D)

Heavy concentration on programs already in clinic
From 1998
2014 Allergan Has Successfully Invested to Create Robust Top and Bottom Line Growth

Launched new markets, products and geographies
16% Sales CAGR
19% EPS CAGR
>2,000% Stock Price Appreciation
No compromise to our commercial
strategy and low impact to our long-term
revenue growth targets
Maintain strength in our R&D pipeline to
bring innovative therapies to patients
~$475M in annual operational efficiencies expected to be realized in 2015
(1)
(1)
(2)
(1)
Represents 1998
2014 CAGR. 2014 is midpoint of July 21, 2014 guidance.
(2)
Calculation
based
on
1998

July
18,
2014.
57

Principles Behind Our Enduring Organization
Customer
Centricity

DTC spend preserved at 2014 levels in all priority
brands
DTC spend maintained ~$200M

Sales force maintained in all key areas
~ 94% of sales force remains intact
Reductions mainly in breast & glaucoma

Maintain education and training focus
Innovation
and
Pipeline

No changes to Phase 2/3 clinical pharmaceutical
R&D programs

Outsource to achieve efficiencies in non-core
areas (e.g. data management, global monitoring)
Preserve study protocol design and
Phase 2B & Phase 3 trials in-house
Culture
and values

Success continues to be driven by action-
oriented culture with a premium placed on
generating results

Rewire, right-size and reduce complexity /
layers within the organization

Optimize processes and speed of
decision
making
Commercial

Focus resources on highest ROI areas

Preserve customer facing headcount

Reduce complexity and layers within
the
organization
R&D
Principles Underpinning Allergan s Plan
Allergan will not compromise
our successful business model
Maintains a robust platform for long-term sustainable growth
58

Maintain Rich, Highly Diversified Clinical R&D Pipeline
Post
Approval
Pre-Clinical
Phase I
Phase II
POC

Phase II
Confirmatory
Phase III
Registration
Discontinued
Allergan remains committed to an industry leading R&D engine
Limited number of pre-clinical projects have been cancelled
(all with projected approval dates after 2020)
59

Strategic Options Available to Further Increase
Stockholder Value

Value from acquisitions

Value from capital return

Stock repurchases

Special
dividend
Additional free cash flow of ~$18bn
generated over strategic planning period
60

Allergan s Promising Outlook on Long-Term Organic Growth
Driven by New Product Innovation and Operational Excellence
2013A
2014E
Guidance
2019E
2015E

Guidance
Revenue
$6.9 -
$7.1bn
EPS
$5.74 -
$5.80
EPS Growth
20% -
22%
Revenue
Growth
Double Digit
EPS
$8.20 -
$8.40
Revenue
$6.2bn
EPS
$4.77
2016E
Guidance
2017E
2018E
* As a percentage of sales.
Additional stockholder value generated from strong business momentum & further operational efficiencies
Revenue
Growth
Double Digit
EPS
~$10.00
61

Independent oversight
Right mix
The right experience for Allergan at the right time
Active involvement
We Have an Independent Board with the Right Experience to Lead
63

8 of 9 directors are independent

Declassified board; all directors elected annually

Experienced lead independent director

Fully independent Finance, Audit, Nominating & Governance and Compensation committees

The Board conducts an annual review of director independence

Existing policies allow for the Board to meet regularly without the CEO

Three of Allergan s independent directors have joined the board in the last 2 years

Recognized as leaders in their respective fields

All directors have direct experience in healthcare and consumer related industries

Research and development expertise, CEO and CFO experience, operational and legal leadership

Extensive experience leading M&A transactions

Robust lead independent director structure alongside combined Chairman/CEO, with Lead Director and Shareholder Communication Procedures in place

Board reviews the company s people and talent development strategy at least annually

Board assesses major risks facing the Company and reviews options for their mitigation

Allergan s Board
Diverse and Proven Leadership with
Investor, Financial and Executive Backgrounds
David E.I. Pyott
Michael R. Gallagher
Deborah Dunsire, M.D.
Trevor M. Jones, Ph.D.

Louis J. Lavigne Jr.
Peter J. McDonnell, M.D.

Director and Professor of the Wilmer Eye Institute of Johns Hopkins University School of Medicine

Wide-ranging expertise in ophthalmology and leader in corneal transplantation, laser refractive surgery and the treatment of dry eye
Timothy D. Proctor

Former General Counsel of Diageo, the world s leading premium drinks business with a broad range of beverage alcohol brands across spirits, beer and wine

Significant, extensive international and legal expertise and is a well-respected leader in the area of international law
Russell T. Ray

Special Advisor to HLM Venture Partners, a private equity firm that provides venture capital to health care information technology, health care services and medical technology companies

Leading expert with extensive knowledge and experience in the banking and healthcare industries, and M&A
Henri A. Termeer

Former President and Director of Genzyme Corporation

Wealth of expertise and significant experience in key leadership roles in the pharmaceutical and biotechnology industries, and M&A
64

Chief Executive Officer and Chairman of the Board at Allergan

Significant, extensive management and leadership experience across the healthcare sector, and M&A

Former Chief Executive Officer and a Director of Playtex Products, a personal care and consumer products manufacturer

Considerable experience in key leadership roles in the personal care and consumer products industries

President and Chief Executive Officer of EnVivo Pharmaceuticals

Considerable pharmaceutical management and operations experience as a clinical researcher, physician and executive	
Former Director General of the Association of the British Pharmaceutical Industry	
Extensive knowledge of and experience in research and development in the European and global pharmaceutical industry	
Managing Director of Lavrite, LLC, a management consulting firm in the areas of corporate finance, accounting, management and strategy	
Extensive background in and knowledge of management, business operations, finance and accounting and business strategy in the biotechnology and pharmaceutical industries	

Strong Committee Structure Ensuring Effective Corporate Governance
Audit &
Finance
Organization &
Compensation
Governance &

Compliance
Science &
Technology
David E.I. Pyott
Michael R. Gallagher
C
C
Deborah Dunsire
M
M
Trevor M. Jones
M
C
Louis J. Lavigne Jr.
M F
M
Peter J. McDonnell
M
M
Timothy D. Proctor
M
M
Russell T. Ray
C F
M
Henri A. Termeer
M
M
Below is a summary of our committee structure and membership information:
C:
Chairperson
M:
Member
F:
Financial
Expert
65

5 board meetings during fiscal year 2013
14 board meetings in fiscal year 2014
13 board meetings since Valeant s proposal
Data and analysis provided by independent financial advisors and legal counsel
Discussions with and feedback from Allergan shareholders
Regularly review financial alternatives

Detailed review of Valeant proposals
The Board Regularly Evaluates Alternatives to Enhance
Shareholder Value
66

Allergan s History of Advancing Shareholder Democracy

Date	Board Recommended Action	Shareholder Approval
September 24, 2007	Adoption of a majority vote standard for the election of directors	

N/A
January 25, 2010
Permitting the poison pill to expire without renewal
N/A
April 29, 2010
Elimination of the supermajority voting standards in the
Certificate of Incorporation
May 03, 2011
Declassification of the Board
April 30, 2013
Establishing a right for shareholders to request a special
meeting of shareholders
May 06, 2014
Establishing a right for shareholders to act by written
consent
Over the years, the Allergan Board has consistently recommended changes to its Charter and
Bylaws to enhance shareholder democracy
67

Allergan Shareholders Have Nothing To Gain
By
Merging With Valeant
Allergan Strengths
Valeant Weaknesses
Divergent Growth
Profiles

Strong, long-term organic growth fueled by innovation and marketing excellence
Creates new products and categories
Leading positions in some of the largest and fastest growing emerging markets
Anemic growth driven by what we believe are unsustainable price increases
not volume
Subscale Valeant products losing their market share
Neglected coverage of key specialty areas, including urology and plastic surgery
Emerging market growth in smaller countries with less revenue potential
R&D Potential and
Performance
History
Extensive R&D engine that has a longstanding track record of producing a +25x sales return on cumulative R&D spend
Potential to commercialize rich pipeline with billions of revenue and profit potential
Long-tailed blockbuster products
Depleted R&D engine cut by $900mm; abandonment or sale of pipeline
Steady state R&D ratio of ~2%
Lack of clinical and regulatory experience
Commitment to
Investing in the
Customer through
Promotion, Selling
and Marketing
Promotion, sales and marketing effort focused on physician education and training; customer loyalty and service
Consumer awareness campaigns
Thin sales coverage focused on detailing only
Elimination of value added marketing programs
Decline in market share, competitiveness and product viability
Lack of scale & investment
Other
Considerations as
an Allergan
Shareholder
Strong and stable management team and Board of Directors
Positive net cash position and investment grade credit rating of A+ / A3
High turnover of senior management and Board of Directors
Increased pro forma debt and a high yield credit rating
Lower tax regime with questionable sustainability
Decreased P/E Multiple Driven by
Reduced Growth Prospects and
Increased Uncertainty

Premium P/E Multiple Driven by
Sustained Growth, Efficient Pipeline
and Execution Experience
68

Conclusions
THERE IS NO BENEFIT TO
SHAREHOLDERS FORCING A SPECIAL MEETING NOW
The Valeant proposal significantly undervalues your company
Allergan already has a pathway in place to deliver superior value
Allergan believes it has the right directors in place to deliver
value to shareholders

YOUR BOARD
UNANIMOUSLY DETERMINED THAT THE PERSHING SQUARE
SOLICITATION IS NOT
IN YOUR BEST INTERESTS AND RECOMMENDS THAT YOU:
NOT SUBMIT ANY
SPECIAL MEETING REQUESTS OR WHITE PROXY CARD
PROMPTLY EXECUTE A BLUE REVOCATION
CARD
69

Reconciliation of Selected Non-GAAP Financial Measures

GAAP refers to financial information presented in accordance with generally accepted accounting principles in the United States.

In this presentation,

Allergan included historical non-GAAP financial measures, as defined in Regulation G promulgated by the Securities and Exchange Commission, with respect to estimates for the year ended December 31, 2013, and the corresponding periods for 1999 through 2012. The information for 2012 and 2011 has been retrospectively adjusted to reflect the

obesity intervention unit, which was sold on December 2, 2013, as discontinued operations. Allergan believes that its presentation of historical non-GAAP financial measures provides useful supplementary information to investors. The presentation of historical non-GAAP financial measures is not meant to be considered in isolation from or as a substitute for

results prepared in accordance with GAAP. In this presentation, Allergan reported certain financial measures including Adjusted Sales , Adjusted SG&A , Adjusted R&D , Adjusted EPS , Pro forma Growth and Sales Growth at constant exchange rates as adjusted for Non-GAAP items. Allergan uses these financial measures to enhance the investor s overall understanding of

the financial performance and prospects for the future of Allergan s core business activities. Specifically, Allergan believes that a report of these financial measures provides consistency in Allergan s financial reporting and facilitates the comparison of results of core business operations between its current, past and future periods. Adjusted Sales, Adjusted SG&A,

Adjusted R&D, Adjusted EPS, Pro forma Growth and Sales Growth are the primary indicators management uses for planning and forecasting in future periods. Allergan also uses Adjusted Sales, Adjusted R&D and Adjusted EPS for evaluating management performance for compensation purposes. A reconciliation of non-GAAP items may be found under the

heading
Non-GAAP
Financial
Reconciliation
in
the
investor
relations
section
of
the
www.Allergan.com
website.
70

Important Information

Information contained in this presentation regarding Valeant Pharmaceuticals International, Inc. (Valeant) is taken directly from the information publicly disclosed by Valeant and we do not make any representations or warranties, either express or implied, with respect to such information s accuracy or completeness. In addition, certain other information contained in this presentation is based on publicly available sources as of the date of this presentation, and while we have no reason to believe that such information is not accurate, we can provide no such assurances with respect thereto. IMS data used in this presentation has been purchased from IMS Health, a provider of

healthcare information. This presentation was prepared with the assistance of Allergan s independent financial consultants and forensic accountants, Alvarez & Marsal and FTI Consulting. The information in this presentation represents the opinions of Allergan and investors and stockholders should make their own independent investigations of the matters referenced in this presentation and draw their own conclusions.

Important Information
Allergan,
its
directors
and
certain
of

its officers and employees are participants in solicitations of Allergan stockholders. Information regarding the names of Allergan's directors and executive officers and their respective interests in Allergan by security holdings or otherwise is set forth in Allergan's proxy statement for its 2014 annual meeting of stockholders, filed with the SEC

on March 26, 2014, as supplemented by the proxy information filed with the SEC on April 22, 2014. Additional information can be found in Allergan's Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 25, 2014 and its Quarterly Report on

Form 10-Q for the quarter ended March 31, 2014, filed with the SEC on May 7, 2014. To the extent holdings of Allergan's securities have changed since the amounts printed in the proxy statement for the 2014 annual meeting of stockholders, such changes have been reflected on Initial Statements of

Beneficial Ownership on Form 3 or Statements of Change in Ownership on Form 4 filed with the SEC. These documents are available free of charge at the SEC s website at www.sec.gov. STOCKHOLDERS ARE ENCOURAGED TO READ ANY ALLERGAN SOLICITATION STATEMENT (INCLUDING ANY SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT

ALLERGAN MAY FILE WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Stockholders will be able to obtain, free of charge, copies of any solicitation statement and any other documents filed by Allergan with the SEC at the SEC's website at www.sec.gov. In addition, copies

will
also
be
available
at
no
charge
at
the
Investors
section
of
Allergan's
website
at
www.allergan.com.
72

July 2014
Allergan
A Specialist in the Biopharmaceutical
& Medical Device Industries