

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 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
- 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(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):

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(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
©
2014
Allergan,
Inc.
All
rights
reserved.

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 expected or anticipated future results, including Allergan's earnings per share and revenue forecasts, among other statements. Forward-looking statements herein are based on Allergan's current expectations of future events and represent Allergan's judgment on the date of this presentation. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results may differ materially from Allergan's expectations and projections. Therefore, you are cautioned not to rely on any of these forward-looking statements, and Allergan expressly disclaims any intent or obligation to update these forward-looking statements except as required to do so. Actual results may differ materially from Allergan's current expectations based on a number of factors affecting Allergan's business, including changing competitive, market and regulatory conditions; the timing and uncertainty of the results of both the research and development and regulatory processes; domestic and foreign health care and cost containment reforms, including government payment and reimbursement policies; revisions to regulatory policies related to the approval of competitive generic products; technological developments and patents obtained by competitors; the ability to obtain and maintain adequate protection of intellectual property rights; the performance of 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 campaigns; the potential for negative publicity concerning any of Allergan's products; the timely and successful implementation of strategic initiatives, including expansion of new or existing products into new markets; the results of any pending or future litigation, investigations or regulatory proceedings; the uncertainty associated with the identification of, and successful consummation, execution and integration of, external corporate acquisitions, initiatives and strategic partnering transactions; potential difficulties in manufacturing; and Allergan's ability to obtain and successfully 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, political uncertainty, international relations, the status of financial markets and institutions, impact of natural disasters or geo-political events, and the 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 recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, including under the heading "Risk Factors" in such filings, as well as Allergan's other public filings with the U.S. Securities and Exchange Commission (SEC), can be obtained with 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 with Allergan's press releases and additional information about Allergan. For further information, you can contact the Allergan Investor Relations Department by calling 714-246-4636.

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Executive Summary

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

®

-

LASTACAPT

®

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 Information" in the investor relations section of the www.Allergan.com website. (Periods 1998-2001 not restated for 2006 change in financial reporting due to amortization of acquired intangible assets). ² Includes Allergan Medical activities for 9 months. ³ Excludes Obesity Intervention

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 CEOs 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

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

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 #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, 2014

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
based upon
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

®

DYSPO

®

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

Europe¹,

Asia¹, LA:

Chronic

Migraine

USA, LA¹,

Europe¹

Neurogenic

Detrusor

Overactivity

Europe¹, Asia¹,

LA:

Migraine

Asia¹, LA¹,

Europe:

Neurogenic

Detrusor

Overactivity

Europe:

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/archophth.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 sources

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)

(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.

Bimatoprost Sustained-Release Implant is a
Significant Global Opportunity

Noncompliance is an Issue with

Current Treatments

Bimatoprost Sustained-Release Implant is a
Significant Innovation

(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

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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

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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
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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

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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
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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.
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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.

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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
THERE TO)
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.

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