

ADVANCED MEDICAL OPTICS INC

Form 425

November 10, 2004

**Advanced Medical Optics To  
Acquire VISX**

Leadership in Ophthalmic

Medical Devices

Investor Presentation

November 9, 2004

**Filed by Advanced Medical Optics, Inc.  
Pursuant to Rule 425  
Under the Securities Act of 1933  
And Deemed Filed Pursuant to Rule 14a-12  
Under the Securities Exchange Act of 1934  
Subject Company: Advance Medical Optics, Inc.  
Commission File No. 001-31257**

**Forward Looking Statements**

**Our statements in this presentation on slides 4,5,8,9,12,13,15,21,25,27,28,29,30,33,34,36 and 38-46, and elsewhere that refer to AMO's financial projections or estimated future results, are forward-looking statements that reflect the Company's current analysis of existing trends and information. AMO disclaims any intent or obligation to update these forward-looking statements. Actual results may differ from current expectations based on a number of factors affecting the Company's businesses, including risks associated with the following**

**Uncertainty as to whether the transaction will be completed;**

**Successfully integrating AMO and VISX**

**The failure to realize the synergies and other perceived advantages resulting from the merger;**

**Costs and potential litigation associated with the merger;**

**The failure to obtain the approval of each company's stockholders;**

**The inability to obtain, or meet conditions imposed for, applicable regulatory and tax requirements relating to the merger;**

**The failure of either party to meet the closing conditions set forth in the definitive agreement;**

**The ability to retain key personnel both before and after the merger;**

**Each company's ability to successfully execute its business strategies;**

**The extent and timing of regulatory approvals, and the extent and timing of market acceptance, of new products or product indications;**

**Manufacturing;**

**Litigation;**

**The procurement, maintenance, enforcement and defense of patents and proprietary rights;**

**Competitive conditions in the industry; business cycles affecting the markets in which any products may be sold;**

**Fluctuations in foreign exchange rates and interest rates; and**

**Economic conditions generally or in various geographic areas.**

**Additional information concerning these and other factors can be found under the heading "Certain Factors and Trends Affecting Advanced Medical Optics and its Businesses" in the AMO 2003 Form 10-K and Form 10-Q filed November 2,**

**2004.**

**Advanced Medical Optics, AMO, AMO Gemini, Array, blink, Blink-N-Clean, CeeOn, ClariFlex, Complete, Complete Aquavision, Complete MoisturePlus, Consept F, Duralens, Emerald-Ease, Healon, Hydrocare , OcuPure, Oxsept, Phacoflex, ReZoom, Sensar, Sovereign, Sovereign Compact, Stabileyes, Tecnis, The Future In Sight, Ultracare, WhiteStar, Unfolder, Verisyse and Vitrax are trademarks of Advanced Medical Optics, Inc. Amadeus is a trademark of SIS, Ltd. OptiEdge is a trademark of Ocular Sciences, Inc. STAR S4, Wavefront and Waveprint are trademarks of VISX, Incorporated.**

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**TRANSFORMING AMO FOR  
INDUSTRY-LEADING  
PERFORMANCE**

Jim Mazzo

AMO President & CEO

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**AMO Acquires VISX**

***Expanded platform for strong, sustainable, profitable growth***

Creates world's leading refractive surgical business

Establishes \$1 billion enterprise with increased earnings power and cash flow potential

Provides surgeons and patients a comprehensive portfolio of technologies and brands

Provides operating efficiencies by better utilizing infrastructure, distribution, servicing capability and manufacturing

Preserves financial strength for continued investment in future

**Consistent with AMO Plan to Build  
Shareholder Value**

Strengthen leading position in cataract and eye  
care segments

Lead in building global refractive IOL business

Ensure technological leadership through  
continuous innovation

Build efficient scalable infrastructure and  
distribution network

Deliver sustained growth in sales and profits

Maintain financial flexibility to support growth

**Transform**

**Transcend**

**Taking AMO to the Next Level**  
*Plan for positioning AMO for industry-leading performance*

**2002-2003**

**2004 - 2005**

**Transition**

**6**

**2006+**

**Transitioned AMO Following the Spin-Off**

**2002-2003**

**Transition**

**Stabilized organization and returned AMO to growth**

**Reprioritized R&D pipeline; launched new products**

**Solidified eye care manufacturing strategy**

**Recapitalized balance sheet**

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**Transition**

**Reorganized under centralized operating model, improving efficiency and productivity**

**Acquired and largely integrated Pfizer business, solidifying cataract franchise, strengthening refractive offering and enhancing global scale**

**Acquiring VISX, positioning AMO as leader in high-growth business and complementing our refractive strategy**

**Transform**

**Transforming AMO to Deliver Growth**

**2002 - 2003**

**2004 - 2005**

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**2006+**

**Transcend**

**Positioning AMO for Industry-Leading  
Performance**

**2002 - 2003**

**2004 - 2005**

**Strengthen leadership of three core franchises: cataract, eye  
care and refractive**

**Continuously innovate to expand portfolio of well-recognized  
brands**

**Cross-selling synergies from global scale**

**Expand into new ophthalmic areas**

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**Transform**

**Transition**

**Multifocal IOLs**

**REFRACTIVE**

**CATARACT**

**Microkeratomes**

**Monofocal IOLs**

**EYE CARE**

**Viscoelastics**

**Contact Lens Care Solutions**

**AMO s Vision Care Life Cycle**  
*At Spin-off*

**Improving  
practitioner  
productivity  
and patient  
outcomes**

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**Phaco & Lens Extraction**

**AMO's Vision Care Life Cycle**  
*Today*

**Multifocal IOLs**

**Phaco & Lens Extraction**

**Improving  
practitioner  
productivity  
and patient  
outcomes**

**Broadening  
depth of  
business  
segments and  
entering new  
markets**

**GLAUCOMA**

**CATARACT**

**REFRACTIVE**

**Microkeratomes**

**Phakic IOLs**

**Accommodating IOLs**

**EYE CARE**

**Viscoelastics**

**Contact Lens Care Solutions**

**Excimer Laser**

**Glaucoma Shunts**

**Monofocal IOLs**

**Vitreo-Retina**

**Contact Lenses**

**VISX Brings**

**Global leader in laser vision  
correction**

**Ongoing technological innovation**

**Focused, experienced  
management team**

**Unsurpassed customer support**

**AMO and VISX: Compelling Strategic,  
Technological and Cultural Fit**

**AMO Brings**

**Global leader**

**Innovator with well-recognized  
brands**

**Worldwide distribution**

**Experienced management team with  
record of disciplined execution**

**Combined Company**

**Global competitor with clear leadership in high-growth  
refractive surgery sector**

**Commitment to innovation, backed by global portfolio of  
respected brands**

**Comprehensive offering of best-in-class products and service**

**Efficient global infrastructure and distribution network**

**Higher growth, higher margin business profile**

**2003 Surgical**

**Combined Revenue <sup>(1)</sup>**

**Of Alcon, B&L and AMO**

*(1) Actual reported sales for refractive and cataract per SEC filings.*

**2005E Surgical**

**Combined Revenue <sup>(2)</sup>**

**Of Alcon, B&L and AMO**

*(2) Source: Refractive and cataract estimates from Morgan Stanley and Smith Barney research reports. Pro Forma AMO includes Pfizer and VISX.*

**Expands Global Size and Scale  
to Challenge Industry Leaders**

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*Does not represent revenue from other competitors such as LaserSight Technologies, Inc., Carl Zeiss Meditec AG, NIDEK, WaveLight, etc.*

**Broadens Product Portfolio and  
Geographic Reach**  
*Strong global presence, scale and full product breadth*

**Refractive**

**100%**

**Europe**

**37%**

**Japan**

**26%**

**Asia**

**Pacific**

**9%**

**Americas**

**28%**

**Eye Care**

**39%**

**Cataract**

**59%**

**Refractive**

**2%**

*(1) LTM period is defined as the last twelve months ended September 24, 2004. Pro Forma for the Pfizer Surgical Business*

**AMO**

**VISX**

**Pro Forma**

**Eye Care**

**33%**

**Cataract**

**48%**

**Refractive**

**19%**

**Asia**

**Pacific**

**8%**

**Japan**

**2%**

**Europe**

**4%**

**Americas**

**86%**

**Europe**

**32%**

**Japan**

**23%**

**Asia**

**Pacific**

**9%**

**Americas**

**36%**

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**Global Leadership in Refractive Sector**  
*Capitalize on size, brands, global distribution*

AMO's global presence provides greater opportunity for laser vision correction expansion in international markets

Cross-selling opportunities for lasers, microkeratomes and refractive IOLs

Incorporate VISX's leading field service capabilities into AMO

Better serve surgeons and patients with full complement of refractive options

Expand overall cataract and refractive customer base

**VISX OVERVIEW**

Liz Davila

VISX Chairman & CEO

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**Global Leader in LVC Technology**

**VISX**

**29.1%**

**Alcon**

**12.9%**

**B&L**

**19.2%**

**Nidek**

**11%**

**Zeiss**

**8.2%**

**Schwind**

**7.7%**

**Wavelight**

**4.4%**

**Other**

**7.6%**

*Source: Market Scope, LLC, Laser Installed  
Base, November 2003*

**U.S. Procedure Leader**

**0%**

**20%**

**40%**

**60%**

**80%**

**100%**

**Alcon-Summit**

**VISX**

**Nidek**

**LaserSight**

**B & L**

**WaveLight**

**VISX**

*Source: Market Scope, LLC*

**VISX Model**

**Per Procedure Revenue Drives Highly  
Profitable Business Model**

**Procedure Gross Profit Margin  
> 95%**

**2004 YTD Operating Profit = 38%**

**VISX Market Leadership**

**Excellent Clinical Outcomes**

**Exemplary Customer Support**

**Ongoing Technology Leadership**

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**VISX: Ongoing Technology Leadership**

CustomVue

Comprehensive measurement and correction

Potentially better than contacts or glasses

Fourier Wavefront Upgrade

Unprecedented resolution for individualized  
CustomVue treatment

Iris Registration

First fully automated technology to correct for  
eye rotation in LVC

CustomVue Presbyopia

Successful international results

Initiating U.S. clinical trails

**POWERFUL PLATFORM FOR  
GROWTH**

Jim Mazzo

AMO President & CEO

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**Expands Sales Opportunities**  
***Compete in \$3 billion, well-established business with robust growth drivers***

*Surgical Source: Market Scope, November 2003; includes US, Western Europe and Japan only;*

*Eye Care Source: IRI, GFK, AC Nielsen, GERS; includes top 10 geographic regions only.*

**27%**

**10%**

**12%**

**12%**

**6%**

**17%**

**16%**

**IOL**

**Eye Care Other**

**Hydrogen  
Peroxide**

**Viscoelastic**

**Phaco**

**Multipurpose**

**LASIK**

Surgical    Eye Care

*Other competitors include LaserSight Technologies, Inc., Carl Zeiss Meditec AG, NIDEK, WaveLight, etc.*

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**Viscoelastics**

**Most Complete Line of Innovative Products  
Among Key Players**

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Key: = Competes = Limited

**Cataract IOLs**

Silicone Monofocal

Acrylic Monofocal

Multifocal

**Phacoemulsification**

**Viscoelastics**

**Refractive Lasers**

**Glaucoma Surgical**

**Microkeratomes**

**Surgical Adjuncts**

**Vitreo-Retinal**

Phakic

**Refractive IOLs**

Multifunctional

**Expansive Portfolio of Well Known  
Brands**

*Broad brand portfolio supported by innovative technologies*

**CATARACT**

**REFRACTIVE**

**EYE CARE**

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**Laser**

CK

**Multifocal**

Multifocal phakic

Accommodating

**Multifocal**

Multifocal phakic

Accommodating

**CK/Monofocal**

Multifocal phakic

Accommodating

Monofocal

Multifocal phakic

Accommodating

Monofocal

**Multifocal**

Multifocal phakic

**Laser**

**Multifocal**

Multifocal phakic

Accommodating

**Laser**

Multifocal phakic

Accommodating

Multifocal phakic

Accommodating

**Phakic**

**Multifocal**

**Laser**

**Phakic**

**Refractive Opportunities**

*Combined company has complementary offering*

**Pre-Presbyopia**

**Presbyopia**

**Presbyopia/**

**Cataract**

**High Myopia**

**Low/Moderate  
Myopia**

**Low/Moderate  
Hyperopia**

**Moderate/High  
Hyperopia**

**Refractive Opportunity in U.S.**  
*Huge unmet need addressable with lasers and refractive IOLs*

**Age**

*Source: Donders Table, Clinical Refraction; U.S. Census Bureau 2000*

0

5

10

15

20

25

30

35

40

45

50

**20-29**

**30-39**

**40-49**

**50-59**

**60-69**

**70-79**

**0**

**2**

**4**

**6**

**8**

**10**

**12**

Age in 2004

Age in 2005

Accommodation

**Eye's ability to  
accommodate change  
focus from far to near  
continues to decline with  
age**

**Currently affects about 90  
million Americans**

**Few surgical options exist  
today; vast majority rely on  
bifocals or readers**

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**Advantages and Opportunities**  
*Multiple opportunities to grow sales and profits*

**Manufacturing**

**Expand capabilities**

**Utilized technical know-  
how**

**R&D**

**Pool resources, skills**

**Pursue multiple tracks to  
address refractive conditions**

**Customers**

**More choices for  
practitioners**

**Broad-based training**

**Access to innovation**

**Distribution**

**Expanded field service**

**Efficient supply chain**

**Leading brands**

**Sales**

**Expanded customer base**

**Cross-selling**

**Increase sphere of influence  
with practitioners**



**Creating An Ophthalmic Medical Device  
Leader**  
*Highly strategic and consistent with strategy*

Leading position in major categories

Singular focus on medical devices

Commitment to innovation

Global, well-recognized brands

Worldwide distribution network

Financial strength to support future growth

**BUILDING ON INTEGRATION  
SUCCESS**

Randy Meier

EVP, Operations & Finance

Chief Financial Officer

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**Path of Progress**  
*Proven focus and execution*

**2002**

**2003**

**2004**

**November 2002:**

Reprioritized  
R&D Pipeline

**June 2003:**

Recapitalized  
Balance Sheet

**November 2003:**

Purchased Eye Care  
manufacturing facility in  
Madrid

**April 2004:**

Announced  
acquisition of Pfizer  
Surgical Business

**July 2002:**

Completed Spin-Off

**March 2003:**

Solidified Eye Care  
Manufacturing  
Strategy

**July 2003:**

Finalized Strategic  
Plan

**December 2003:**

Launched  
Reorganization Plan

**June 2004:**

Completed acquisition and  
financing of Pfizer transaction

**October 2004:**

Completed first  
phase of Pfizer  
integration

\$0

\$1,250

\$2,500

2002

June

2002

Dec

2003

June

2003

Dec

2004

June

2004

Sep

32

**\$318**

**\$350**

**\$510**

**\$603**

**\$1,305**

**\$1412**

**\$2,509**

**Pro Forma  
Market Value**

Market Value  
(\$ MM)

\* *Based on stock price at end of quarter times pro forma diluted shares outstanding for quarter  
(as per 10-Q/10-K)*

**Proven Ability to Create Shareholder Value  
Since Spin-off from Allergan**

**Integration Principles and Priorities**

Extensive due diligence on business and discussion  
between functional counterparts

Emphasis on continuity with the customer and preserving  
technology leadership

Best practices will be taken from both organizations

Cross-sell laser, microkeratome and refractive IOL

Maintain parallel R&D efforts identifying solutions for  
presbyopia

Continue to operate laser franchise from Santa Clara, CA

**Integration Strategy**

Phase I Pre close

Complete detailed integration action plan

Complete detailed refractive global marketing strategy

Phase 2 First 30 days post close

Combine operations

Initiate cost saving initiatives

Launch expanded refractive sales and marketing efforts

Phase 3 30 days+ post close

Synergies from worldwide infrastructure and resources



**COMPELLING FINANCIAL  
RATIONALE**

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**AMO/VISX: Ophthalmic Medical Device  
Leader**  
*Platform for Growth, Profitability and Value Creation*

Comprehensive offering of new technologies

Strong competitive position and global  
presence

Focused execution

Financial strength to support growth

**Transaction Summary**

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\* *Based on the closing price of AMO shares on November 8, 2004*

**Valuation:**

\$26.52 per VISX share<sup>(1)</sup> or

\$1.27 billion

**Consideration:**

87% AMO stock and 13% cash

Tax free exchange<sup>(1)</sup>

**Exchange Ratio:**

0.552 shares of AMO and

\$3.50 in cash for each VISX

share

**Pro Forma Ownership:**

58.5% AMO / 41.5% VISX

**Board Representation:**

Elizabeth Davila to join AMO

Board of Directors

**Combined Company Financials**

Revenue exceeds \$1 billion

Accelerates sales growth and margin expansion

Cash flow in excess of \$200 million

Generates strong recurring cash flows

Diversifies revenue stream

Creates third core franchise to balance operating performance

Reduces relative exposure to currency

Combined company benefits from global infrastructure

Provides significant synergies

Deleverages balance sheet

**LTM  
Pro Forma**

**Eye Care**

**33%**

**Cataract**

**48%**

**Refractive**

**19%**

**Europe**

**32%**

**Japan**

**23%**

**Asia**

**Pacific**

**9%**

**Americas**

**36%**

38

**82.0% (\$835)**

**58.3% (\$71)**

**61.1% (\$128)**

**64.4% (\$153)**

**78.3% (\$525)**

**18.0% (\$184)**

**41.7% (\$51)**

**38.9% (\$82)**

**35.6% (\$85)**

**21.7% (\$145)**

**0%**

**20%**

**40%**

**60%**

**80%**

**100%**

**Net Income**

**EBIT**

**EBITDA**

**Gross Profit**

**Revenue**

**AMO**

**VISX**

**Contribution Leverages Profitability**

2005E Relative Contribution Analysis\*

\* AMO based on 2004 Morgan Stanley research estimates. VISX based on Smith Barney 2004 research estimates.

Accelerates  
revenue growth  
and margin  
expansion

Sustains EPS  
growth

Continues  
deleveraging

**into Enhanced Financial Profile in 2006**

**Prior AMO**

**Targets**

4-6%

64-65%

17-18%

15-17%

**Pro Forma**

**Targets**

6-8%

66-67%

19-21%

20-22%

**Gross Margin**

**Operating Margin**

**Earnings Growth**

**Revenue Growth**

40



**Strong Cash Flow and Enhanced Balance Sheet**

Revenue mix enhances stability

Strong cash flow facilitates rapid deleveraging

Track record of debt repayment

No incremental capital expenditures required

\$199

\$132

LTM EBITDA<sup>(2)</sup>

\$155

\$34

Cash

3.0x

4.0x

Net Debt/EBITDA

34%

75%

Debt/Total Cap

\$2,206

\$762

Total Cap

\$1,454

\$194

Equity<sup>(3)</sup>

\$752

\$568

Debt

AMO +  
VISX<sup>(1)</sup>

AMO<sup>(1)</sup>

\$ mm

(1) Based on annualized Q3 2004. No synergies assumed for VISX acquisition.

(2) Based on AVO closing price on 11/8/04. Excludes the impact of one-time charges related to the acquisition.

**As of September 30, 2004**

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**Base Business Upside (EBIT: +\$5-10 mm)**

Cost savings from expense management

Reorganization yielding productivity benefits

Integration of Pfizer acquisition ahead of schedule

**Cost Savings (EBIT: +\$15-20 mm\*)**

\$10 mm to be achieved in first 90 days post-closing by reducing administrative costs of the combined company

Capitalize on VISX equipment manufacturing expertise

**Revenue Growth (EBIT: +\$5 mm\*)**

Capitalize on AMO's international distribution network

Cross-selling opportunities

Broaden utilization of VISX's equipment field service

\* On an annualized basis. Assumes acquisition closes in Q1 2005

**Synergies**

***AMO Base Business Upside, Cost Savings and Revenue Growth***

**Financial Guidance**

**Reaffirming 2005 EPS range of \$1.65-\$1.75\***

Strength in core business

Significant synergies

Substantial non-cash charges due to intangibles amortization

**Accretive in 2006 with synergies**

Raising growth and margin targets for 2006

Preliminary 2006 EPS guidance of \$2.20-\$2.30

**Cash EPS basis (excluding intangibles amortization)**

Accretive in both 2005 and 2006 with synergies

\* Pro forma for VISX acquisition assuming close in Q1 2005.

**Bridge to 2005 Pro Forma and Cash EPS**

5 10

(+) AMO Base Business Upside

(11)

(-) Pfizer Intangibles Amortization

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(+) Pfizer Intangibles Amortization

\$118 - \$124

(=) AMO Cash Earnings Pre-Transaction

(10)

(-) Incremental Interest/Other

\$175 - \$185

(=) Pro Forma GAAP Earnings

(28) (32)

(-) VISX Intangibles Amortization

\$217 - \$228

(=) Pro Forma Cash Earnings

20 25

(+) Revenue and Cost Synergies

80 82

(+) VISX Pretax Income (Street)

\$100 \$106

AMO Pretax Income (Guidance)

**Indicative  
2005 EPS<sup>(1)</sup>**

**2005 Pre-Tax  
Earnings**

**(\$mm except per share data)**

**\$1.65 - \$1.75**

**\$1.65 - \$1.75**

**\$2.05 - \$2.15**

(1) Based on 34% tax rate. Assumes 40mm shares on a pre-deal basis and 70mm shares on a post-deal basis.

**\$1.95 - \$2.05**

**Cash EPS**

**Pro Forma GAAP**

**\$1.75 - \$1.85**

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**Timeline for Completion**

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**November 9:**

Signing and announcement of Transaction

**November:**

Preparation of Joint Proxy Statement

File for Antitrust clearance (HSR)

**December:**

Mailing of Joint Proxy Statement

Shareholder vote

Completion of integration planning

**Jan/Feb 2005:**

Finalize financing to close transaction

Anticipated regulatory clearance

Target closing

**Platform for Growth, Profitability and  
Value Creation**

**Comprehensive offering of new technologies**

Clear technology leader committed to continuous innovation

Most complete line-up of refractive technologies to offer surgeons

**Strong competitive position and global presence**

Solid leading positions in expanding segments

Well -recognized brands / loyal customers

Outstanding field sales organization

Global distribution capabilities

**Focused execution**

Track record of execution success

**Financial strength to support growth**

Neutral to 2005 pro forma guidance

Improves growth opportunities

Strong cash flow, healthy balance sheet



**Question & Answer Session**

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**Additional Information**

**AMO and VISX intend to file with the SEC a Registration Statement on Form S-4, which will include a joint proxy statement/prospectus of VISX and AMO and other relevant materials in connection with the proposed transaction. The joint proxy statement/prospectus will be mailed to the stockholders of VISX and AMO. Investors and security holders of VISX and AMO are urged to read the joint proxy statement/prospectus and the other relevant materials when they become available because they will contain important information about VISX, AMO and the proposed transaction. The joint proxy statement/prospectus and other relevant materials (when they become available), and any other documents filed by VISX or AMO with the SEC, may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by VISX by contacting VISX Investor Relations at [ir@VISX.com](mailto:ir@VISX.com) or via telephone at (877) 463-6847. Investors and security holders may obtain free copies of the documents filed with the SEC by AMO at [www.amo-inc.com](http://www.amo-inc.com) or via telephone at (714) 247-8348. Investors and security holders are urged to read the joint proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction.**

**The respective directors and executive officers of AMO and VISX may be deemed to be participants in the solicitation of proxies from the stockholders of VISX and AMO in favor of the proposed transaction. Information about the directors and executive officers of AMO and VISX their respective interests in the proposed transaction will be available in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.**

**Cautionary Statement Regarding  
Forward-Looking Statements**

Statements contained in this document that refer to AMO's estimated or future results such as statements regarding the timing and certainty of closing the transaction, estimated share ownership percentages, strategic and financial benefits of the merger, statements of Jim Mazzo, Liz Davila and Richard Meier and expectations regarding accretion and cost savings are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained in this document include statements about future financial and operating results and the proposed VISX/AMO transaction. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. For example, if either of the companies does not receive required stockholder approvals or fails to satisfy other conditions to closing, the transaction will not be consummated. In any forward-looking statement in which AMO or VISX expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will result or be achieved or accomplished. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements:

risks associated with uncertainty as to whether the transaction will be completed, successfully integrating AMO and VISX, the failure to realize the synergies and other perceived advantages resulting from the merger, costs and potential litigation associated with the merger, the failure to obtain the approval of each company's stockholders, the inability to obtain, or meet conditions imposed for, applicable regulatory and tax requirements relating to the merger, the failure of either party to meet the closing conditions set forth in the definitive agreement, the ability to retain key personnel both before and after the merger, each company's ability to successfully execute its business strategies, the extent and timing of regulatory approvals, and the extent and timing of market acceptance, of new products or product indications, manufacturing, litigation, the procurement, maintenance, enforcement and defense of patents and proprietary rights, competitive conditions in the industry, business cycles affecting the markets in which any products may be sold, fluctuations in foreign exchange rates and interest rates, and

**economic conditions generally or in various geographic areas, including those set forth in AMO's and VISX's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, especially in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections, and its Current Reports on Form 8-K and other SEC filings. AMO and VISX are under no obligation to (and expressly disclaims any such obligation to) update or alter their forward-looking statements whether as a result of new information, future events, or otherwise.**