

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.  
(1) Title of each class of securities to which transaction applies:

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

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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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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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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," SEC 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](http://www.sec.gov). These SEC filings are also available at Allergan's web site at [www.allergan.com](http://www.allergan.com) along with Allergan's press releases and additional information about Allergan. For further information, you can contact the Allergan Investor Department by calling 714-246-4636.



3  
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](http://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](http://www.Allergan.com) website. (Periods 1998-2001 not restated for 2006 change in financial reporting due to amortization of acquired intangible assets). <sup>2</sup> Includes Allergan Medical activities for 9 months. <sup>3</sup> 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 CEOs 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

®

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<sup>1</sup>,

Asia<sup>1</sup>, LA:

Chronic

Migraine

USA, LA<sup>1</sup>,

Europe<sup>1</sup>

Neurogenic

Detrusor

Overactivity

Europe<sup>1</sup>, Asia<sup>1</sup>,

LA:

Migraine

Asia<sup>1</sup>, LA<sup>1</sup>,

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<sup>®</sup>  
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<sup>®</sup>  
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<sup>®</sup>





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  
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](http://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.

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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](http://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](http://www.sec.gov).

In  
addition,  
copies

will  
also  
be  
available  
at  
no  
charge  
at  
the  
Investors  
section  
of  
Allergan's  
website  
at  
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