

ALLERGAN INC  
Form 425  
February 19, 2015

Filing pursuant to Rule 425 under the

Securities Act of 1933, as amended

Deemed filed under Rule 14a-6(b) under the

Securities Exchange Act of 1934, as amended

Filer: Actavis plc

Subject Company: Allergan, Inc.

Form S-4 File No. 333-201242

**Explanatory Note:** This filing contains the unaudited pro forma combined financial statements of Actavis plc ( Actavis ) which were attached as Exhibit 99.1 to Actavis Current Report on Form 8-K filed on February 19, 2015.

## Unaudited pro forma combined financial information

The following unaudited pro forma combined financial information is presented to illustrate the estimated effects of (i) the assumed issuance of \$22.0 billion aggregate principle amount of notes (the Senior Notes ), (ii) the assumed issuance of \$4.2 billion of ordinary shares (the Ordinary Shares ), (iii) the assumed issuance of \$4.2 billion of mandatorily convertible preferred shares (the Mandatory Convertible Preferred Shares ), (iv) the borrowing under the Term Loan Credit Agreement (the Term Facilities and together with the Senior Notes, the Ordinary Shares and the Mandatory Convertible Preferred Shares, the Debt and Equity Financing ) of \$5.5 billion (v) the acquisition of Allergan Inc. ( Allergan ) by the Company, which was announced on November 17, 2014 (the Acquisition ), (vi) the acquisition of Forest Laboratories, Inc. ( Forest ) by the Company which closed on July 1, 2014, (the Forest Transaction ), (vii) the acquisition of Aptalis Holdings Inc. ( Aptalis ) by Forest, which closed on January 31, 2014 (the Aptalis Transaction ), and (viii) the related financings and assumed financings to fund the acquisitions in (vi) and (vii) based on the historical financial position and results of operations of Actavis.

Warner Chilcott Limited is an indirect wholly-owned subsidiary of Actavis plc, the ultimate parent of the group. The results of Warner Chilcott Limited are consolidated into the results of Actavis plc. Due to the de minimis activity between Actavis plc and Warner Chilcott Limited, references throughout this filing relate to both Actavis plc and Warner Chilcott Limited, unless otherwise indicated. References throughout we, our, us, Actavis, or the Company refer to both Actavis plc and Warner Chilcott Limited. As related to the Unaudited Pro Forma Combined Financial Information, except where otherwise indicated all adjustments (in millions) are applicable to both Warner Chilcott Limited and Actavis plc.

The following historical pro forma combined balance sheet as of December 31, 2014 is based upon and derived from the historical financial information of the Company and of Allergan.

The fiscal years of the Company and Allergan ended on December 31. The fiscal years of Forest and Aptalis ended on March 31 and September 30, respectively. The following unaudited pro forma combined statement of operations for the year ended December 31, 2014 was prepared based on (i) the historical consolidated statement of operations of the Company for the year ended December 31, 2014, (ii) the historical consolidated statement of earnings of Allergan for the year ended December 31, 2014, (iii) the historical consolidated statement of operations of Forest for the six months ended June 30, 2014, which was derived by subtracting the consolidated statement of operations for the nine months ended December 31, 2013 and adding the consolidated statement of operations for the fiscal year ended March 31, 2014 from and to the consolidated statement of operations for the three months ended June 30, 2014, and (iv) the historical consolidated statement of operations of Aptalis for the one month ended January 31, 2014.

The Acquisition, the Forest Transaction and the Aptalis Transaction have been accounted for as business combinations using the acquisition method of accounting under the provisions of Accounting Standards Codification ( ASC ) 805, Business Combinations, ( ASC 805 ). The unaudited pro forma combined financial information set forth below primarily give effect to the following:

## Edgar Filing: ALLERGAN INC - Form 425

Effect of application of the acquisition method of accounting in connection with the acquisitions referred to above;

Effect of issuing the Senior Notes to partially fund the Acquisition;

Effect of issuing the Ordinary Shares to partially fund the Acquisition;

Effect of issuing the Mandatory Convertible Preferred Shares to partially fund the Acquisition;

Effect of borrowing under the Term Facilities; and

Effect of transaction costs in connection with the acquisitions and financings.

The pro forma adjustments are preliminary and are based upon available information and certain assumptions, described in the accompanying notes to the unaudited pro forma combined financial information that Actavis management believes are reasonable under the circumstances. Actual results and valuations may differ materially from the assumptions within the accompanying unaudited pro forma combined financial information. Under ASC 805, assets acquired and liabilities assumed are recorded at fair value. The fair value of identifiable tangible and intangible assets acquired and liabilities assumed from the Acquisition are based on a preliminary estimate of fair value as of December 31, 2014. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed will be recognized as goodwill. Significant judgment is required in determining the estimated fair values of in-process research and development ( IPR&D ), identifiable intangible assets and certain other assets and liabilities. Such a valuation requires estimates and assumptions including, but not limited to, determining the timing and estimated costs to complete each in-process project, projecting the timing of regulatory approvals, estimating future cash flows and direct costs in addition to developing the appropriate discount rates and current market profit margins. Actavis management believes the fair values recognized for the assets to be acquired and the liabilities to be assumed are based on reasonable estimates and assumptions. Preliminary fair value estimates may change as additional information becomes available.

The unaudited pro forma combined statements of operations for the fiscal year ended December 31, 2014 assume all of the transactions were completed on January 1, 2014. The unaudited pro forma combined balance sheet as of December 31, 2014 assumes all of the transactions occurred on December 31, 2014, except for the acquisitions of Forest and Aptalis and their related financings, which are already reflected in Actavis historical balance sheet as of December 31, 2014. The unaudited pro forma combined financial information has been prepared by Actavis management in accordance with SEC Regulation S-X Article 11 for illustrative purposes only and is not necessarily indicative of the combined financial position or results of operations that would have been realized had the transactions been completed as of the dates indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that Actavis will experience after the transactions are completed. In addition, the accompanying unaudited pro forma combined statements of operations do not include any pro forma adjustments to reflect expected cost savings or restructuring actions which may be achievable or the impact of any non-recurring activity and one-time transaction related costs.

Certain financial information of Allergan, Forest and Aptalis, as presented in their respective consolidated financial statements, has been reclassified to conform to the historical presentation in Actavis consolidated financial statements for purposes of preparation of the unaudited pro forma combined financial information.

**Actavis plc****Unaudited pro forma combined balance sheet****As of December 31, 2014**

(In millions)	Historical Actavis plc	Historical Allergan (after conforming reclassifications)	Acquisition adjustments	Debt and Equity Financing adjustments	Footnote reference	Actavis plc pro forma	Adjustments from Actavis plc to Warner Chilcott Ltd	Footnote reference	Warner Chilcott Ltd pro forma
<b>ASSETS</b>									
Current assets:									
Cash and cash equivalents	\$ 250.0	\$ 4,911.4	\$ (38,764.8)	\$ 35,526.9	6h, 6l	\$ 1,923.5	\$ (5.7)	6t	\$ 1,917.8
Marketable securities	1.0	55.0				56.0			56.0
Accounts receivable, net	2,372.3	914.5				3,286.8	(0.7)	6t	3,286.1
Receivable from Parents							269.8	6t	269.8
Inventories	2,075.5	296.0	979.3		6c	3,350.8			3,350.8
Prepaid expenses and other current assets	733.4	350.8		12.2		1,096.4	(2.9)	6t	1,093.5
Current assets held for sale	949.2					949.2			949.2
Deferred tax assets	500.3	344.4				844.7			844.7
<b>Total current assets</b>	<b>6,881.7</b>	<b>6,872.1</b>	<b>(37,785.5)</b>	<b>35,539.1</b>		<b>11,507.4</b>	<b>260.5</b>		<b>11,767.9</b>
Property, plant and equipment, net	1,594.7	1,006.3				2,601.0	(0.9)	6t	2,600.1
Investments and other assets	235.4	271.9	(8.6)	140.3	6e, 6m	639.0			639.0
Deferred tax assets	107.4	437.6				545.0			545.0
Product rights and other intangibles	19,188.4	1,786.5	53,253.5		6c	74,228.4			74,228.4
Goodwill	24,521.5	2,392.9	23,062.3		6d	49,976.7			49,976.7
<b>Total assets</b>	<b>\$ 52,529.1</b>	<b>\$ 12,767.3</b>	<b>\$ 38,521.7</b>	<b>\$ 35,679.4</b>		<b>\$ 139,497.5</b>	<b>\$ 259.6</b>		<b>\$ 139,757.1</b>
<b>LIABILITIES AND EQUITY</b>									
Current liabilities:									
Accounts payable and accrued expenses	\$ 4,170.6	\$ 1,480.3	\$	\$		\$ 5,650.9	(3.1)	6t	\$ 5,647.8
Payables to Parents							521.1	6t	521.1
Income taxes payable	50.4					50.4			50.4
Current portion of long-term debt and capital leases	697.4	72.1		68.7	6n	838.2			838.2
Deferred revenue	27.0	4.9				31.9			31.9
Current liabilities held for sale	25.9					25.9			25.9
Deferred tax liabilities	47.3	0.9	227.2		6g	275.4			275.4
<b>Total current liabilities</b>	<b>5,018.6</b>	<b>1,558.2</b>	<b>227.2</b>	<b>68.7</b>		<b>6,872.7</b>	<b>518.0</b>		<b>7,390.7</b>

Edgar Filing: ALLERGAN INC - Form 425

(In millions)	Historical	Historical	Acquisition	Debt and	Footnote	Adjustments from		Footnote	Warner
	Actavis	Allergan		Equity		Actavis plc	Actavis plc to		Chilcott Ltd
	plc	(after	adjustments	Financing	reference	pro forma	Warner Chilcott Ltd	reference	pro forma
	classifications)	)		adjustments					subtotal
Long-term debt and capital leases	14,846.3	2,085.3	10.2	27,431.3	6f, 6o	44,373.1			44,373.1
Deferred revenue	38.8	72.8				111.6			111.6
Other long-term liabilities	335.8	841.3				1,177.1	0.1	6t	1,177.2
Other taxes payable	892.2	96.0				988.2			988.2
Deferred tax liabilities	3,061.9	350.7	12,350.5		6g	15,763.1			15,763.1
<b>Total liabilities</b>	<b>24,193.6</b>	<b>5,004.3</b>	<b>12,587.9</b>	<b>27,500.0</b>		<b>69,285.8</b>	<b>518.1</b>		<b>69,803.9</b>
Commitments and contingencies									
Equity:									
Preferred Shares				4,089.7	6q	4,089.7	(4,089.7)	6r	
Common stock		3.1	(3.1)		6i, 6p				
Additional paid-in capital	28,994.7	3,353.7	30,400.3	4,089.7	6i, 6p	66,838.4	(66,838.4)	6r, 6s, 6t	
Member s capital					6i, 6p				