

ALLERGAN INC  
Form S-4/A  
December 12, 2005

**Table of Contents**

**As filed with the Securities and Exchange Commission on December 9, 2005**

**REGISTRATION NO. 333-129871**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 1  
to  
Form S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**ALLERGAN, INC.**  
*(Exact Name of Registrant as Specified in its Charter)*

**Delaware**  
*(State or Other Jurisdiction  
of Incorporation or Organization)*

**2834**  
*(Primary Standard Industrial  
Classification Code Number)*

**95-1622442**  
*(I.R.S. Employer  
Identification No.)*

**2525 Dupont Drive  
Irvine, California 92612  
(714) 246-4500**  
*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

**Douglas S. Ingram  
Executive Vice President, General Counsel and Secretary  
Allergan, Inc.  
2525 Dupont Drive  
Irvine, California 92612  
(714) 246-4500**  
*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

**Copies to:  
Michelle A. Hodges  
Gibson, Dunn & Crutcher LLP  
4 Park Plaza, Suite 1400  
Irvine, CA 92614  
(949) 451-3800**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement and completion of the transactions described in the enclosed prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective

registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

The information contained in this prospectus may be changed. Allergan, Inc. may not sell these securities until the registration statement filed with the Securities and Exchange Commission becomes effective. This prospectus is not an offer to sell these securities and Allergan, Inc. is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

*Offer by Banner Acquisition, Inc.  
to Exchange Each Outstanding Share of Common Stock  
of  
Inamed Corporation  
for  
\$84.00 in Cash  
or*

*0.8498 of a Share of Common Stock of Allergan, Inc.  
subject in each case, to the proration and election procedures  
described in this prospectus and the related letter of election and transmittal*

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON TUESDAY, DECEMBER 20, 2005, UNLESS EXTENDED. SHARES TENDERED PURSUANT TO THE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE.

Banner Acquisition, Inc. ( Offeror ), a newly formed, wholly owned subsidiary of Allergan, Inc. ( Allergan ), is offering to exchange for each outstanding share of common stock of Inamed Corporation ( Inamed ), par value \$0.01 per share, including the associated preferred stock purchase rights (the Inamed Shares ), validly tendered and not properly withdrawn in the offer, at the election of the holder of such Inamed Share:

\$84.00 in cash, without interest, or

0.8498 of a share of Allergan common stock (including the associated preferred stock purchase rights), subject in each case to the proration and election procedures described in this prospectus and the accompanying letter of election and transmittal (which together, as each may be amended, supplemented or otherwise modified from time to time, constitute the Offer ). In the Offer, 45% of the aggregate Inamed Shares tendered will be exchanged for cash and 55% of the aggregate Inamed Shares tendered will be exchanged for shares of Allergan common stock. Therefore, elections will be subject to proration if holders of Inamed Shares, in the aggregate, elect to receive more than the maximum amount of consideration to be paid in the form of cash or Allergan common stock, as the case may be. See

The Offer Elections and Proration for a detailed description of the proration procedure. In addition, instead of receiving any fractional shares of Allergan common stock to which Inamed stockholders otherwise would be entitled, tendering Inamed stockholders will receive an amount in cash (without interest) equal to such holder's respective proportionate interest in the proceeds from the sale or sales in the open market by the exchange agent for the Offer, on behalf of all such holders, of the aggregate fractional shares of Allergan common stock issued pursuant to the Offer. The purpose of the Offer is for Allergan to acquire control of, and ultimately the entire equity interest in, Inamed. The Offer is the first step in Allergan's plan to acquire all of the outstanding Inamed Shares. Allergan intends promptly after completion of the Offer to seek to consummate a merger of Offeror with and into Inamed, with Inamed surviving the Merger (this merger is referred to herein as the Inamed Merger, and Inamed after the Inamed Merger is sometimes referred to as the Surviving Corporation ). The purpose of the Inamed Merger is for Allergan to acquire all Inamed Shares not acquired in the Offer. After the Inamed Merger, the Surviving Corporation will be a wholly owned subsidiary of Allergan and the former Inamed stockholders will no longer have any ownership interest in the Surviving Corporation. As promptly as practicable following the Inamed Merger, Allergan will cause the Surviving Corporation to merge with and into a limited liability company wholly owned by Allergan, with the limited liability company surviving the merger (we refer to this second merger as the Post-Closing Merger ).

Allergan believes that the proposed business combination of Allergan and Inamed would be more favorable to Inamed stockholders than the proposed merger of Inamed and Medicis Pharmaceutical Corporation announced on March 21,

2005. Based on the closing prices of Medicis common stock on the NASDAQ National Market on November 14, 2005, the last full trading day before the public announcement of Allergan's proposal to acquire Inamed, the Medicis transaction would have had a value of \$72.15 per Inamed Share. As of the same date, the Offer has a value of \$84.00 per Inamed Share, which represents a premium, as of November 14, 2005, of \$11.85 per Inamed Share, or approximately 16%, over the value of the proposed Medicis transaction. As of December 8, 2005, the last full day of trading before the date of this prospectus, the Offer represented a premium of approximately 13% over the proposed Medicis transaction. The market prices of shares of Allergan common stock and Inamed Shares will fluctuate prior to the expiration date of the Offer and thereafter, and may be higher or lower at the expiration date than the prices set forth above. As any premium represented by the Offer is based on fluctuating market prices, the premiums described above will similarly change.

Offeror's obligation to exchange Inamed Shares for cash and shares of Allergan common stock in the Offer is subject to a number of conditions, which are more fully described in The Offer Conditions of the Offer.

Allergan's common stock is listed on the New York Stock Exchange under the symbol AGN. Inamed Shares trade on the NASDAQ National Market under the symbol IMDC.

***For a discussion of certain factors that Inamed stockholders should consider in connection with the Offer, please carefully read Risk Factors beginning on page 11.***

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The dealer manager for the Offer is:  
*MORGAN STANLEY*

The date of this prospectus is December 9, 2005

---

**Table of Contents**

**This prospectus incorporates by reference important business and financial information about Allergan, Inamed and their respective subsidiaries from documents filed with the Securities and Exchange Commission, or SEC, that have not been included in or delivered with this prospectus. This information is available without charge at the SEC's website at [www.sec.gov](http://www.sec.gov), as well as from other sources. See Where To Obtain More Information.**

**Inamed stockholders also may request copies of these publicly-filed documents from Allergan, without charge, upon written or oral request to Allergan's information agent at its address or telephone number set forth on the back cover of this prospectus. In order to receive timely delivery of the documents, Inamed stockholders must request the documents no later than December 13, 2005 (five business days before the initially scheduled expiration date of the Offer).**

---

**Table of Contents**

**WHERE TO OBTAIN MORE INFORMATION**

Allergan and Inamed file annual, quarterly and current reports, proxy statements and other information with the SEC. Inamed stockholders may read and copy any reports, statements or other information that Allergan or Inamed file with the SEC at the SEC's public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the public reference room. Allergan's and Inamed's public filings also are available to the public from commercial document retrieval services and may be obtained without charge at the SEC's website at [www.sec.gov](http://www.sec.gov).

Allergan has filed a registration statement on Form S-4 with the SEC to register the offer and sale of shares of Allergan common stock to be issued in the Offer and the Inamed Merger. This prospectus is a part of that registration statement. As allowed by SEC rules, this prospectus does not contain all of the information in the registration statement or the exhibits to the registration statement.

The SEC allows Allergan to incorporate information into this prospectus by reference, which means that Allergan and Offeror can disclose important information to Inamed stockholders by referring to another document or information filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information amended or superseded by information contained in, or incorporated by reference into, this prospectus. This prospectus incorporates by reference the documents and information set forth below that Allergan and Inamed have previously filed with the SEC. These documents contain important information about Allergan and Inamed and their financial condition.

**Allergan Filings (File No. 1-10269):**

**Allergan Information Incorporated by Reference**

**Period Covered or Date of Filing**

Annual Report on Form 10-K

Fiscal year ended December 31, 2004, as filed with the SEC on March 9, 2005

The description of Allergan common stock set forth in Allergan's Registration Statement on Form 8-A, filed with the SEC on June 12, 1989, including all amendments and reports filed for the purpose of updating such description

The description of Allergan preferred stock purchase rights set forth in Allergan's Registration Statement on Form 8-A12B, filed with the SEC on February 1, 2000, including all amendments or reports filed for the purpose of updating such description.

Quarterly Reports on Form 10-Q

Fiscal quarter ended:

March 25, 2005, as filed with the SEC on April 28, 2005

June 24, 2005, as filed with the SEC on July 28, 2005, and as amended on August 24, 2005

September 30, 2005, as filed with the SEC on November 7, 2005

**Table of Contents**

**Allergan Information Incorporated by Reference**

	<b>Period Covered or Date of Filing</b>	
Current Reports on Form 8-K	Filed with the SEC on:	
	January 14, 2005	June 30, 2005
	January 18, 2005, and as	August 9, 2005
	amended April 21, 2005	August 23, 2005
	January 25, 2005	September 27, 2005
	March 3, 2005	October 5, 2005
	May 19, 2005	November 15, 2005
		December 7, 2005

**Inamed Filings (File No. 001-9741):**

**Inamed Information Incorporated by Reference**

	<b>Period Covered or Date of Filing</b>
Annual Report on Form 10-K (except for the report of Inamed's independent registered public accountants contained therein which is not incorporated by reference herein because the consent of Inamed's independent registered public accountants has not been obtained. <i>See</i> Note on Inamed Information. )	Fiscal year ended December 31, 2004, as filed with the SEC on March 16, 2005, and as amended on April 29, 2005

The description of Inamed's common stock set forth in Inamed's Registration Statement on Form 8-A, filed with the SEC on October 14, 1987, including all amendments and reports filed for the purpose of updating such description.

The description of Inamed's stock purchase rights set forth in Inamed's Registration Statement on Form 8-A, filed with the SEC on June 10, 1997, including all amendments and reports filed for the purpose of updating such description.

Quarterly Reports on Form 10-Q	Fiscal quarter ended:
	March 31, 2005, as filed with the SEC on May 10, 2005, and as amended on May 11, 2005
	June 30, 2005, as filed with the SEC on August 9, 2005
	September 30, 2005, as filed with the SEC on November 9, 2005

Current Reports on Form 8-K	Filed with the SEC on:
-----------------------------	------------------------



Edgar Filing: ALLERGAN INC - Form S-4/A

January 25, 2005 (Item 8.01)	December 5, 2005
March 21, 2005	December 6, 2005
May 6, 2005	
July 18, 2005	
August 4, 2005	
November 16, 2005	

Nothing in this prospectus shall be deemed to incorporate information furnished but not filed with the SEC.

ii

---

**Table of Contents**

Inamed stockholders may obtain any of these documents without charge upon written or oral request to the information agent at MacKenzie Partners, Inc., 105 Madison Avenue, New York, New York 10016, collect at (212) 929-5500 or toll-free at (800) 322-2885, or from the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov).

**Requests for documents incorporated by reference should be made to the information agent no later than December 13, 2005 to assure delivery before the initial expiration date of the Offer.** The information agent will mail the requested documents by first-class mail, or other equally prompt means, within one business day of receipt of the request.

**Inamed stockholders should rely only on the information contained in or incorporated by reference into this prospectus in deciding whether to tender Inamed Shares pursuant to the Offer. Neither Allergan nor Offeror has authorized anyone to provide Inamed stockholders with information that differs from that contained in this prospectus.**

**Table of Contents**

**NOTE ON INAMED INFORMATION**

All information relating to Inamed's business, operations and management presented in this prospectus is taken from information publicly filed by Inamed with the SEC. Information publicly filed by Inamed may be examined and copies may be obtained at the places and in the manner set forth in the section captioned "Where To Obtain More Information." Because Allergan and Offeror are not affiliated with Inamed, certain non-public information regarding Inamed was not available to Allergan or Offeror for the purpose of preparing this prospectus. Neither Allergan nor Offeror has any knowledge that would indicate that any statements contained herein or incorporated by reference from Inamed's publicly filed reports and documents regarding Inamed's business, operations, financial condition or other condition, are inaccurate, incomplete or untrue. However, no assurance can be given that publicly available information concerning Inamed does not contain errors, and neither Allergan nor Offeror was involved in the preparation of such information and statements. Further, Inamed has not been involved in the preparation of this prospectus and has not verified the information contained in or incorporated by reference into this prospectus relating to Inamed. In addition, Allergan and Offeror have made adjustments and assumptions in preparing the pro forma financial information presented in this prospectus that have necessarily involved estimates with respect to Inamed's financial information. Any financial or other information regarding Inamed that may be detrimental to Allergan or Offeror following the acquisition of Inamed that has not been publicly disclosed by Inamed, or errors in estimates due to the lack of participation by Inamed, may have an adverse effect on the benefits Allergan expects to achieve through the consummation of the Offer and the Inamed Merger.

Pursuant to Rule 409 promulgated under the Securities Act of 1933, as amended (the "Securities Act") Allergan has requested that Inamed and Inamed's independent registered public accountants provide the information required to furnish complete disclosure regarding the business, operations, financial condition and management of Inamed. In addition, pursuant to Rule 439 promulgated under the Securities Act, Allergan has requested that:

Inamed cooperate in obtaining the consent of its independent registered public accountants to being named herein and to the incorporation by reference of its audit report included in Inamed's Annual Report on Form 10-K for the fiscal year ended December 31, 2004; and

Inamed's independent registered public accountants provide Allergan with their consent required for Allergan to incorporate by reference into this prospectus the audit report included in Inamed's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

Inamed's accountants have informed Allergan that they expect to provide Allergan with the consent described above. Allergan will amend the registration statement, of which this prospectus is a part, to include such consent if Allergan or Offeror receives the requested consent before the Offer expires. Allergan will also amend or supplement the registration statement to include such other additional information it receives from Inamed before the Offer expires if Allergan and Offeror consider the information to be material, reliable and appropriate.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

Statements made by Allergan and Offeror in this prospectus and in other reports and statements released by Allergan or Offeror that are not historical facts constitute forward-looking statements. These forward-looking statements are necessarily estimates reflecting the best judgment of senior management of Allergan and Offeror and include comments that express Allergan's opinions about trends and factors that may impact its future operating results. The use of future tense and words such as believe, anticipate, estimate, intend, could, plan, expect expressions are intended to identify forward looking statements. Such statements rely on a number of assumptions concerning future events, many of which are outside of Allergan's control, and involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include those described in Risk Factors beginning on Page 11 of this prospectus.

Inamed stockholders are cautioned that, while forward-looking statements reflect the good faith belief and best judgment of Allergan and Offeror based upon current information, they are not guarantees of future performance. All forward-looking statements, made in or incorporated by reference into this prospectus or elsewhere, should be considered in context with the risk factors discussed or incorporated by reference into this prospectus and the various disclosures made by Allergan about its businesses in its various public reports incorporated herein by reference.

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>WHERE TO OBTAIN MORE INFORMATION</u>	i
<u>NOTE ON INAMED INFORMATION</u>	iv
<u>FORWARD-LOOKING STATEMENTS</u>	v
<u>SUMMARY</u>	1
<u>RISK FACTORS</u>	11
<u>Risk Factors Relating to the Offer</u>	11
<u>Risks Factors Relating to the Business of Allergan and the Combined Company</u>	14
<u>COMPARATIVE MARKET PRICE DATA</u>	25
<u>COMPARATIVE PER SHARE DATA (UNAUDITED)</u>	26
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ALLERGAN</u>	27
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF INAMED</u>	29
<u>SELECTED UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA</u>	31
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	33
<u>THE COMPANIES</u>	34
<u>REASONS FOR THE OFFER</u>	36
<u>BACKGROUND OF THE OFFER</u>	37
<u>Allergan Proposal</u>	37
<u>Proposed Medicis Merger</u>	41
<u>Proposed Mentor Acquisition</u>	44
<u>ALLERGAN MERGER AGREEMENT</u>	45
<u>The Offer</u>	45
<u>Structure of the Inamed Merger</u>	45
<u>Structure of the Post-Closing Merger</u>	45
<u>Completion and Effectiveness of the Inamed Merger</u>	45
<u>Merger Consideration</u>	45
<u>Exchange of Inamed Stock Certificates for the Merger Consideration</u>	46
<u>Fractional Shares</u>	47
<u>Top-Up Option</u>	47
<u>Conditions to Completion of the Offer under the Allergan Merger Agreement</u>	47
<u>Conditions to the Merger</u>	49
<u>Representations and Warranties</u>	49
<u>No Solicitation of Other Offers by Inamed</u>	50
<u>Changes of Recommendation</u>	51
<u>Stockholder Approval</u>	52
<u>Conduct of Business Before Completion of the Merger</u>	52
<u>Access to Information; Confidentiality</u>	55
<u>Antitrust Approval</u>	56
<u>Inamed Benefit Plans</u>	56
<u>Directors and Officers Indemnification</u>	58
<u>Financing; Allergan Guarantee</u>	58
<u>Post-Closing Merger</u>	58
<u>Termination of the Allergan Merger Agreement</u>	59
<u>Termination Fees and Expenses</u>	60
<u>Effect of Termination</u>	61
<u>Stock Exchange Listing</u>	62

<u>Tax Treatment</u>	62
<u>Amendments, Extensions and Waivers</u>	62
<u>THE OFFER</u>	63

---

**Table of Contents**

	<b>Page</b>
<u>Consideration</u>	63
<u>Elections and Proration</u>	64
<u>Expiration of the Offer</u>	66
<u>Extension, Termination and Amendment</u>	66
<u>Exchange of Inamed Shares; Delivery of Cash and Shares of Allergan Common Stock</u>	67
<u>Cash Instead of Fractional Shares of Allergan Common Stock</u>	68
<u>Withdrawal Rights</u>	68
<u>Procedure for Tendering</u>	69
<u>Guaranteed Delivery</u>	70
<u>Grant of Proxy</u>	71
<u>Fees and Commissions</u>	71
<u>Matters Concerning Validity and Eligibility</u>	71
<u>Announcement of Results of the Offer</u>	72
<u>Ownership of Allergan After the Offer and the Inamed Merger</u>	72
<u>Material U.S. Federal Income Tax Consequences</u>	72
<u>Purpose of the Offer; the Inamed Merger; Appraisal Rights</u>	75
<u>The Post-Closing Merger</u>	76
<u>Plans for Inamed</u>	76
<u>Effect of the Offer on the Market for Inamed Shares; NASDAQ Listing; Registration Under the Exchange Act; Margin Regulations</u>	77
<u>Conditions of the Offer</u>	78
<u>Dividends and Distributions by Inamed</u>	81
<u>Certain Legal Matters; Regulatory Approvals</u>	81
<u>Certain Relationships With Inamed</u>	83
<u>Source and Amount of Funds</u>	84
<u>Fees and Expenses</u>	84
<u>Accounting Treatment</u>	85
<u>Stock Exchange Listing</u>	85
<u>COMPARATIVE MARKET PRICE AND DIVIDEND MATTERS</u>	86
<u>UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS</u>	87
<u>DESCRIPTION OF ALLERGAN CAPITAL STOCK</u>	96
<u>Common Stock</u>	96
<u>Preferred Stock</u>	96
<u>Rights Plan</u>	96
<u>Delaware Law Anti-takeover Provisions</u>	97
<u>Restated Certificate of Incorporation and Bylaw Provisions</u>	98
<u>COMPARISON OF STOCKHOLDERS' RIGHTS</u>	99
<u>ALLERGAN'S EXISTING DEBT AGREEMENTS</u>	109
<u>LEGAL MATTERS</u>	111
<u>EXPERTS</u>	111
<u>ANNEX A AGREEMENT AND PLAN OF MERGER</u>	A-1
<u>ANNEX B DIRECTORS AND EXECUTIVE OFFICERS OF ALLERGAN AND OFFEROR</u>	B-1
<u>ANNEX C OPINION OF GIBSON, DUNN &amp; CRUTCHER LLP AS TO CERTAIN TAX MATTERS</u>	C-1
<u>ANNEX D SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW</u>	D-1
<u>EXHIBIT 8.1</u>	

**Table of Contents**

**SUMMARY**

*This section summarizes material information presented in greater detail elsewhere in this prospectus. However, this summary does not contain all of the information that may be important to Inamed stockholders. Important information is contained elsewhere in this prospectus and the other documents to which this prospectus refers, all of which should be carefully reviewed by Inamed stockholders. See *Where To Obtain More Information*.*

*As used in this prospectus, unless otherwise indicated or the context requires, *Allergan* refers to Allergan, Inc. and its consolidated subsidiaries, *Offeror* refers to Banner Acquisition, Inc., and *Inamed* refers to Inamed Corporation and its consolidated subsidiaries.*

**The Offer to Exchange (Page 63)**

Under the terms of the Offer, each Inamed stockholder may elect to receive, for each Inamed Share validly tendered and not properly withdrawn, either:

\$84.00 in cash, without interest; or

0.8498 of a share of newly issued Allergan common stock (including associated preferred stock purchase rights), in each case, subject to the proration and election procedures described in this prospectus and the related letter of election and transmittal.

In the Offer, 45% of the aggregate Inamed Shares tendered will be exchanged for cash and 55% of the aggregate Inamed Shares tendered will be exchanged for shares of Allergan common stock. Therefore, elections will be subject to proration if tendering holders of Inamed Shares, in the aggregate, elect to receive more than the maximum amount of consideration to be paid in cash or Allergan common stock pursuant to the Offer. The ratio of 0.8498 of an Allergan share for each Inamed Share was determined by dividing \$84.00 by the closing price of an Allergan share on the New York Stock Exchange on November 14, 2005.

***Potential Value of Offer Consideration***

Based on the closing price of Allergan common stock on the New York Stock Exchange on December 8, 2005, the last full trading day before the date of this prospectus, 0.8498 of an Allergan share had a value of \$91.77 per share. The value of 0.8498 of an Allergan share will fluctuate prior to the expiration date of the Offer as the market price of Allergan common stock changes. At Allergan share prices of \$98.85 and above, the value of 0.8498 of an Allergan share will exceed the cash offer of \$84.00 per Inamed Share, and at Allergan share prices below \$98.85, the cash offer will exceed the value of 0.8498 of an Allergan share.



**Table of Contents**

Solely for purposes of illustration, the following table reflects the per share amount of cash and the market value of the Allergan common stock that an Inamed stockholder would receive for each Inamed Share tendered pursuant to the Offer if exactly 55% of the Inamed Shares tendered by the stockholder were exchanged for Allergan common stock and 45% of such shares were exchanged for cash. This would be the case, for example, if all tendering Inamed stockholders made the same election for either cash or Allergan shares. In that circumstance, each Inamed Share would be exchanged, on average, for \$37.80 in cash (i.e. 45% of \$84.00) and 0.46739 shares (i.e. 55% of 0.8498) of Allergan common stock. The table indicates the relative value, in that circumstance, of the two forms of consideration at different market values for the Allergan shares.

<b>Assumed Market Price (per Allergan Share)</b>	<b>Value of 0.46739 of an Allergan Share</b>	<b>Cash Amount Paid (per Inamed Share)</b>	<b>Implied Value (per Inamed Share exchanged)</b>
\$ 85.00	\$ 39.73	\$ 37.80	\$ 77.53
\$ 90.00	\$ 42.07	\$ 37.80	\$ 79.87
\$ 95.00	\$ 44.40	\$ 37.80	\$ 82.20
\$ 100.00	\$ 46.74	\$ 37.80	\$ 84.54
\$ 105.00	\$ 49.08	\$ 37.80	\$ 86.88
\$ 110.00	\$ 51.41	\$ 37.80	\$ 89.21
\$ 115.00	\$ 53.75	\$ 37.80	\$ 91.55

The market prices of Allergan common stock used in the above table, and the assumptions regarding the mix of cash and/or stock a hypothetical Inamed stockholder would receive are for purposes of illustration only. The price of Allergan common stock fluctuates and may be higher or lower than in these examples at the time the Offer is completed. In addition, due to the proration mechanisms in the Offer, the elections of other Inamed stockholders will impact whether a tendering Inamed stockholder receives the type of consideration elected, or is prorated so that a portion of such stockholder's tendered shares are exchanged for another form of consideration.

**Inamed stockholders should consider the potential effects of proration and should obtain current market quotations for shares of Allergan common stock and Inamed Shares before deciding whether to tender pursuant to the Offer and before electing the form of Offer consideration they wish to receive. The market price of shares of Allergan common stock will fluctuate prior to the expiration date of the Offer and thereafter, and may be different at the expiration date and at the time tendering Inamed stockholders receive cash or shares of Allergan common stock.**

***Proration Procedures***

If Inamed stockholders elect to receive more than the aggregate amount of cash or shares of Allergan common stock offered, Allergan will prorate the total cash or stock, as the case may be, proportionally among the stockholders who elect that form of consideration. Inamed stockholders who do not make an election will be allocated whatever form of consideration is remaining (or a proportionate share of each form of consideration if neither is oversubscribed), after taking into account the preferences of the tendering stockholders who make elections. If neither form of consideration is oversubscribed, Inamed stockholders who do not make an election will receive cash and Allergan common stock in a proportion such that 45% of the aggregate Inamed Shares tendered in the Offer will be exchanged for cash and 55% of the aggregate Inamed Shares tendered in the Offer will be exchanged for shares of Allergan common stock. The procedures for prorating cash and common stock are described in *The Offer Elections and Proration*.

***Treatment of Fractional Shares***

Inamed stockholders will not receive any fractional shares of Allergan common stock in the Offer. Instead of receiving any fractional shares of Allergan common stock to which Inamed stockholders otherwise would be entitled, tendering Inamed stockholders will receive an amount in cash (without interest) equal to such holder's respective

proportionate interest in the proceeds from the sale or sales in the open market by the

**Table of Contents**

exchange agent for the Offer, on behalf of all such holders, of the aggregate fractional shares of Allergan common stock issued pursuant to the Offer, as described in The Offer Cash Instead of Fractional Shares of Allergan Common Stock.

**The Inamed Merger (Page 75)**

Allergan intends, promptly after the completion of the Offer, to seek to have Offeror merge into Inamed, with Inamed surviving the merger. After the Inamed Merger, Inamed will be a wholly owned subsidiary of Allergan and the former Inamed stockholders will not have any equity ownership interest in Inamed as the surviving corporation. In the Inamed Merger, each Inamed Share (except for Inamed Shares held in Inamed's treasury and Inamed Shares beneficially owned directly or indirectly by Allergan or Offeror, including Inamed Shares acquired in the Offer) will be converted into the right to receive cash or shares of Allergan common stock, subject to appraisal rights under Delaware law, as more fully described under The Offer Purpose of the Offer; the Inamed Merger; Appraisal Rights. In the Inamed Merger, Inamed stockholders will have the opportunity to elect to receive for each Inamed Share cancelled in the Inamed Merger, \$84.00 in cash or 0.8498 of a share of Allergan common stock. This is the same consideration as is available in the Offer, and such consideration will be subject to proration, such that in the aggregate 45% of the aggregate Inamed Shares cancelled in the Inamed Merger will be converted to cash and 55% of the aggregate Inamed Shares cancelled in the Inamed Merger will be converted into shares of Allergan common stock, subject to any adjustments necessary to preserve the status of the Offer, the Inamed Merger, and the Post-Closing Merger as a tax-free reorganization under Section 368(a) of the Internal Revenue Code.

**The Post-Closing Merger (Page 76)**

As soon as reasonably practicable after the Inamed Merger, Allergan intends to cause the Surviving Corporation to merge with and into a wholly owned limited liability company subsidiary of Allergan. Immediately before the Post-Closing Merger, Allergan will be the sole stockholder of the Surviving Corporation, and none of the former Inamed stockholders will have any economic interest in, or approval or other rights with respect to, the Post-Closing Merger.

**Information About Allergan, Offeror and Inamed (Page 34)**

***Allergan***

Allergan, Inc.  
2525 Dupont Drive  
Irvine, California 92612-1599  
(714) 246-4500

Allergan, Inc., a Delaware Corporation, is a technology-driven, global health care company that develops and commercializes specialty pharmaceutical products for the ophthalmic, neurological, dermatological and other specialty markets. Allergan is a pioneer in specialty pharmaceutical research, targeting products and technologies related to specific disease areas such as glaucoma, retinal disease, dry eye, psoriasis, acne and movement disorders. Additionally, Allergan develops and markets aesthetic-related pharmaceuticals and over-the-counter products. Allergan is an innovative leader in therapeutic and over-the-counter products that are sold in more than 100 countries. Allergan is also focusing research and development efforts on new therapeutic areas, including gastroenterology, neuropathic pain, genitourinary diseases, medical dermatology and medical aesthetics.

Based on the closing price of shares of Allergan common stock on the New York Stock Exchange on December 8, 2005, the last full day of trading before the date of this prospectus, Allergan's market capitalization is approximately \$14.2 billion.

**Table of Contents**

***Offeror***

Banner Acquisition, Inc.  
2525 Dupont Drive  
Irvine, California 92612-1599  
(714) 246-4500

Offeror, a Delaware corporation, is a wholly owned subsidiary of Allergan. Offeror is newly formed, and was organized for the purpose of making the Offer and consummating the Inamed Merger. Offeror has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and those incurred in connection with the Offer and the Inamed Merger.

***Inamed***

Inamed Corporation  
5540 Ekwill Street  
Santa Barbara, California 93111-2936  
(805) 692-5400

Inamed Corporation, a Delaware corporation, is a global healthcare company that develops, manufactures, and markets a diverse line of products that enhance the quality of people's lives. These products include breast implants for aesthetic augmentation and reconstructive surgery following a mastectomy, a range of dermal products to correct facial wrinkles, the BioEnterics® LAP-BAND® System designed to treat severe and morbid obesity, and the BioEnterics® IntraGastric Balloon (BIB®) system for the treatment of obesity.

Based on the closing price of Inamed Shares on the NASDAQ National Market on December 8, 2005, the last full trading day before the date of this prospectus, Inamed's market capitalization is approximately \$3.2 billion.

**Reasons for the Offer (Page 36)**

Offeror is making the Offer and Allergan plans to complete the Inamed Merger because it believes that the acquisition of Inamed by Allergan will provide significant beneficial long-term growth prospects for the combined company and increase stockholder value, including for those Inamed stockholders who receive shares of Allergan common stock in the Offer or the Inamed Merger. Allergan believes that the Offer and the Inamed Merger will increase its market presence and opportunities, enhance its product mix, increase operating efficiencies, combine significant management talent and enhance employee opportunities.

Allergan believes that the proposed business combination of Allergan and Inamed is more favorable to Inamed stockholders than the proposed merger of Inamed and Medicis Pharmaceutical Corporation announced on March 21, 2005 (the proposed merger of Medicis and Inamed, as amended from time to time, is referred to, as the Medicis Merger). Based on the closing prices of Medicis common stock on the NASDAQ National Market on November 14, 2005, the last full trading day before the public announcement of Allergan's proposal to acquire Inamed, the value of the consideration payable to Inamed stockholders in the Medicis Merger is \$72.15 per Inamed Share. As of the same date, Allergan's offer had a value of \$84.00 per Inamed Share, which represents a premium, as of November 14, 2005, of \$11.85 per Inamed Share, or approximately 16%, over the value provided by the Medicis Merger. As of December 8, 2005, the last full day of trading before the date of this prospectus, Allergan's offer represented a premium of approximately 13% over the proposed Medicis transaction.

**Background of the Offer (Page 37)**

***Allergan Proposal***

On November 14, 2005, Allergan submitted a letter to Inamed with a proposal to acquire Inamed, for a per Inamed Share consideration of \$84.00 in cash or 0.8498 of a share of Allergan common stock, at the election of the holder. In the letter, Allergan advised Inamed that Allergan and its advisors were prepared to immediately proceed with due diligence and negotiation of a definitive agreement with respect to the Offer and the Inamed Merger, consistent with the terms and conditions described herein and otherwise containing

**Table of Contents**

representations and warranties, covenants, conditions, terms and conditions substantially similar to those in the Medicis merger agreement. The text of this letter is included in *Background of the Offer*.

In accordance with the terms of the Medicis merger agreement, Inamed's board of directors determined in good faith after consultation with its legal and financial advisors that Allergan's proposal was reasonably likely to result in a transaction with terms more favorable to Inamed's stockholders than the transaction contemplated by the Medicis merger agreement. Therefore, Allergan and Inamed entered into a confidentiality agreement, as required by the terms of the Medicis merger agreement, and began discussions and negotiations regarding the terms of a definitive merger agreement.

On December 6, 2005, Allergan executed and delivered to Inamed an irrevocable offer letter accompanied by an executed definitive agreement and plan of merger (the *Allergan Merger Agreement*) for the proposed business combination transaction involving Allergan, Offeror and Inamed. The offer letter provides that Inamed may accept the offer set forth in the offer letter at any time after the Medicis merger agreement is terminated and after receipt of notice from Allergan that the conditions to the irrevocable offer set forth in the offer letter have been met. Inamed can accept the offer by executing the Allergan Merger Agreement and returning the executed copy to Allergan prior to the expiration of the irrevocable offer as set forth in the offer letter. The text of the irrevocable offer letter is included in *Background to the Offer*.

After receipt of the irrevocable offer letter and Allergan Merger Agreement, Inamed issued a press release on December 6, 2005, announcing that its board of directors has determined that the Allergan Merger Agreement and the offer set forth therein are fair to Inamed's stockholders and constitute a *Company Superior Proposal* (as such term is defined in the Medicis merger agreement) when compared to the Medicis merger agreement.

Prior to executing the Allergan Merger Agreement, the Inamed board of directors must take the following actions, among other matters:

approve the Allergan Merger Agreement and the offer and merger contemplated thereby, including the approval required under the Section 203 of the DGCL, such that the restrictions on business combinations set forth in Section 203 do not apply to the transactions contemplated by the Allergan Merger Agreement, and

amend Inamed's stockholder rights agreement to make such agreement inapplicable to the transactions contemplated by the Allergan Merger Agreement.

Although, as of the date of this prospectus, Inamed is prohibited under the Medicis merger agreement from executing the Allergan Merger Agreement, Allergan expects that Inamed will enter into the Allergan Merger Agreement as promptly as practicable after termination of the Medicis merger agreement. However, there can be no assurance that the Medicis merger agreement will be terminated or that Inamed will enter into the Allergan Merger Agreement. If the companies enter into the Allergan Merger Agreement, Allergan will promptly announce such action.

See *Background of the Offer-Allergan Proposal*.

***Proposed Medicis Merger***

On March 20, 2005, Inamed, Medicis and Masterpiece Acquisition Corp., a wholly owned subsidiary of Medicis, entered into an Agreement and Plan of Merger, pursuant to which Inamed would merge into Masterpiece Acquisition Corp. Under the terms of the Medicis merger agreement, each Inamed Share would be cancelled in exchange for \$30.00 in cash and 1.4205 shares of Medicis Class A common stock.

The obligation of Inamed and Medicis to complete the Medicis Merger is subject to various conditions, including that the stockholders of each of Inamed and Medicis have approved the Medicis merger agreement and the HSR waiting period or any other applicable waiting periods in foreign jurisdictions in which Medicis is required to file notifications shall have expired or terminated. The respective meetings of the stockholders of Medicis and Inamed to vote on the Medicis Merger are scheduled to be held on December 19, 2005. The termination date of the Medicis merger agreement is December 19, 2005, provided that it may be extended until January 31, 2006, under certain conditions.

## **Table of Contents**

Upon certain termination events, Inamed is required to pay Medicis a termination fee of \$10 million or \$90 million, and Medicis is required to pay Inamed a termination fee of between \$10 million and \$70 million.

The terms and conditions of the Medicis merger agreement are described under Background of the Offer-Proposed Medicis Merger.

**Offeror's obligation to exchange Inamed Shares for cash or shares of Allergan's common stock pursuant to the Offer is subject to a number of conditions, including, that either (a) the Medicis merger agreement shall have been terminated, or (b) the vote of Inamed stockholders on the Medicis Merger, which is currently scheduled for December 19, 2005, shall not have occurred, and Offeror shall be satisfied in its reasonable judgment that upon consummation of the Offer, Offeror shall have the ability to vote sufficient Inamed Shares to assure rejection of the Medicis Merger.**

### ***Proposed Mentor Acquisition***

On November 20, 2005, Mentor Corporation (Mentor) announced that it has proposed a merger with Medicis in which Medicis stockholders would receive 0.62 of a share of Mentor common stock per share of Medicis common stock, a 25% premium for such shares on the date of the proposal. On the same day, Medicis issued a press release announcing that its board of directors had unanimously rejected the acquisition proposal of Mentor. The acquisition of Medicis by Mentor would require the termination of the Medicis merger agreement.

See Background of the Offer-Proposed Mentor Acquisition.

### **Plans for Inamed (Page 76)**

Allergan has caused Offeror to make the Offer in order to acquire control of, and ultimately the entire equity interest in, Inamed. The Offer is the first step in Allergan's acquisition of Inamed and is intended to facilitate Allergan's acquisition of all of the outstanding equity ownership of Inamed. Allergan intends to seek to consummate the Inamed Merger and Post-Closing Merger as soon as possible after completing the Offer, in order to acquire all Inamed Shares not exchanged pursuant to the Offer.

After the Inamed Merger and the Post-Closing Merger, Allergan expects to continue Inamed's current operations, except that Allergan expects to promptly divest Inamed's license to the *Reloxin* products in all markets. In connection with the divestiture, Allergan will cooperate fully with any third-party acquiring Inamed's rights in the *Reloxin* products, to ensure such third-party is able to benefit from all of Inamed's information, studies, reports, and the U.S. Food and Drug Administration (FDA) filings and communications associated with the *Reloxin* products for such subsequent licensee to obtain regulatory approval for *Reloxin*. Inamed's interest in the *Reloxin* license and the associated assets are referred to in this prospectus as the Reloxin Assets. See The Offer Plans for Inamed.

### **The Offer is Scheduled to Expire on December 20, 2005 (Page 66)**

The Offer is scheduled to expire at 12:00 midnight, New York City time, on Tuesday, December 20, 2005. The term expiration date as used in this prospectus means 12:00 midnight, New York City time, on Tuesday, December 20, 2005, unless Offeror extends the period of time for which the Offer is open, in which case the term expiration date means the latest time and date on which the Offer, as so extended, expires.

### **The Offer is Subject to Conditions (Page 78)**

Offeror's obligation to exchange Inamed Shares for cash or shares of Allergan's common stock pursuant to the Offer is subject to a number of conditions, including, but not limited to, the following:

there shall have been validly tendered and not properly withdrawn prior to the expiration date at least a majority of the outstanding Inamed Shares (on a fully diluted basis);

any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and any other applicable similar foreign laws or regulations will have expired or been terminated;

Offeror shall be reasonably satisfied with the results of its confirmatory diligence review of Inamed;

**Table of Contents**

either (a) the Medicis merger agreement shall have been terminated, or (b) the vote of Inamed stockholders on the Medicis Merger shall not have occurred, and Offeror shall be satisfied in its reasonable judgment that upon consummation of the Offer, Offeror shall have the ability to vote sufficient Inamed Shares to assure rejection of the Medicis Merger;

Offeror shall be satisfied, in its reasonable judgment, that the Inamed stockholder rights agreement does not apply to the Offer or the Inamed Merger;

Offeror shall be satisfied, in its reasonable judgment, that Section 203 of the General Corporation Law of the State of Delaware (the "DGCL") does not apply to the Offer or the Inamed Merger; and

Inamed shall not have entered into or effectuated any agreement or transaction with any person which reasonably may impair Allergan's ability to acquire Inamed or that would materially adversely affect the value to Offeror of the acquisition of Inamed Shares pursuant to the Offer or to Allergan of the Inamed Merger and the Post-Closing Merger.

No tender of Inamed Shares shall be effective, and Offeror shall not acquire tendered Inamed Shares, until all conditions have been satisfied or, to the extent permissible, waived. These conditions and the other conditions to the Offer are discussed under "The Offer" Conditions of the Offer.

**The Offer May Be Extended, Terminated or Amended (Page 66)**

Offeror expressly reserves the right to extend the period of time during which the Offer remains open at any time or from time to time, in its sole discretion. Offeror can extend the Offer by giving oral or written notice of the extension to the exchange agent. During any extension, all Inamed Shares previously tendered and not properly withdrawn will remain subject to the Offer, subject to the right of each Inamed stockholder to withdraw previously tendered Inamed Shares.

Subject to applicable SEC rules and regulations, Offeror also reserves the right, in its sole discretion, at any time or from time to time:

to extend the Offer for up to two additional five business day periods if less than 90% of the total Inamed Shares on a fully diluted basis have been validly tendered and not properly withdrawn at the otherwise scheduled expiration date;

to terminate the Offer, if any of the conditions of the Offer are not satisfied prior to the expiration date;

to waive any condition identified as subject to waiver in "The Offer" Conditions of the Offer; or

otherwise to amend the Offer in any respect,

by giving oral or written notice of such termination, waiver or amendment to the exchange agent.

Offeror will make a public announcement promptly after any extension, delay, termination, waiver or amendment. In the case of an extension, any related announcement will be issued no later than 9:00 a.m., New York City time, on the first business day following the previously scheduled expiration date. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that any material change in the information published, sent or given to Inamed stockholders in connection with the Offer be promptly sent in a manner reasonably designed to inform them of that change), and without limiting the manner in which Offeror may choose to make any public announcement, Offeror assumes no obligation to publish, advertise or otherwise communicate any public announcement of this type other than by issuing a press release to the Dow Jones News Service.

No subsequent offering period will be available following the expiration of the Offer.

**Tendered Inamed Shares May Be Withdrawn at Any Time Prior to the Expiration Date (Page 68)**

Tendered Inamed Shares may be withdrawn at any time prior to the expiration date, and, unless previously accepted pursuant to the Offer, may be withdrawn at any time after January 20, 2006. Once Offeror accepts Inamed Shares for exchange pursuant to the Offer, all tenders not previously withdrawn become irrevocable.





**Table of Contents**

**Procedure for Tendering Inamed Shares (Page 69)**

To validly tender Inamed Shares pursuant to the Offer, Inamed stockholders must:

deliver a properly completed and duly executed letter of election and transmittal, along with any required signature guarantees and any other required documents, and certificates for tendered Inamed Shares to the exchange agent at one of its addresses set forth on the back cover of this prospectus, all of which must be received by the exchange agent at one of those addresses prior to the expiration date; or

deliver an agent's message in connection with a book-entry transfer, and any other required documents, to the exchange agent at one of its addresses set forth on the back cover of this prospectus, and Inamed Shares must be tendered pursuant to the procedures for book entry tender set forth herein (and a confirmation of receipt of that tender received), and in each case be received by the exchange agent prior to the expiration date; or

stockholders must comply with the guaranteed delivery procedures set forth in The Offer Guaranteed Delivery. Inamed stockholders who hold Inamed Shares in street name through a bank, broker or other nominee holder, and desire to tender their Inamed Shares pursuant to the Offer, should instruct the nominee holder to do so prior to the expiration date.

**The Exchange Shall Occur Promptly After the Expiration Date (Page 67)**

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), promptly after the expiration date, Offeror will accept for exchange, and will exchange, all Inamed Shares validly tendered and not properly withdrawn prior to the expiration date.

**Election and Proration Procedures (Page 64)**

Inamed stockholders may elect to receive cash or shares of Allergan common stock, subject to the elections and proration procedure described in this prospectus, by indicating their tender offer elections in the applicable section of the letter of election and transmittal. Inamed stockholders are not required to exchange all of their Inamed Shares for one form of consideration or the other. Instead, if they own more than one Inamed Share, they may elect to receive cash in exchange for some of their Inamed Shares and shares of Allergan common stock in exchange for the remainder of their Inamed Shares. If an Inamed stockholder decides to change its election after tendering its Inamed Shares, it must first withdraw the tendered shares and then re-tender the Inamed Shares prior to the expiration date, with a new letter of election and transmittal that indicates the revised election.

**Regulatory Requirements (Page 81)**

The Offer and the Inamed Merger cannot be consummated until certain information that Allergan has furnished to the Antitrust Division of the Department of Justice (the DOJ) and the Federal Trade Commission (FTC) has been reviewed and certain waiting period requirements have been satisfied. These requirements and other issues are discussed under The Offer Certain Legal Matters; Regulatory Approvals.

**Source and Amount of Funds (Page 84)**

The Offer and the Inamed Merger are not conditioned upon any financing arrangements or contingencies except that, as in the Medicis merger agreement, Offeror may terminate the Offer if Offeror or Allergan is prevented from obtaining financing consistent with the terms and conditions of the financing commitment letter discussed below because of the SEC investigation referred to in Other Matters Government Inquiries under Item 3 of Inamed's Form 10-K for the year ended December 31, 2004, or factors and circumstances related thereto. For a description of the SEC investigation, see The Offer Source and Amount of Funds.

Offeror estimates that the total purchase price for all of the outstanding Inamed Shares proposed to be acquired pursuant to the Offer and the Inamed Merger, including associated fees and expenses, will be approximately

## **Table of Contents**

\$3.4 billion, including \$1.6 billion in cash. Allergan has received a commitment letter from Morgan Stanley Senior Funding, Inc., an affiliate of Morgan Stanley & Co. Incorporated, providing for a 364-day bridge term facility in an aggregate amount of up to \$1.1 billion. Any proceeds of this facility will be used solely to acquire Inamed Shares tendered in the Offer and pursuant to the Inamed Merger and to pay associated transaction fees and expenses.

### **Dividend Policy of Allergan (Page 86)**

The holders of shares of Allergan common stock receive dividends if and when declared by Allergan's board of directors out of legally available funds. For the past three fiscal quarters, including the quarter ended September 30, 2005, Allergan has paid a cash dividend of \$0.10 per share per quarter, increased from the \$0.09 per share paid per quarter in each of the prior eight quarters. Allergan's declaration and payment of cash dividends in the future will depend upon its results of operations, financial condition, cash requirements, prospects, limitations imposed by credit agreements or debt securities and other factors deemed relevant by its board of directors. Certain financial covenants set forth in Allergan's current bank credit line agreements and other financing agreements (including the commitment letter from Morgan Stanley discussed above) restrict its ability to declare dividends. Allergan can give stockholders no assurance that Allergan will continue to pay any dividends on its common stock in the future at historical levels or at all.

### **No Appraisal Rights in Connection with the Offer (Page 76)**

No appraisal rights are available in connection with the Offer. However, Inamed stockholders would have appraisal rights under Delaware law in connection with the Inamed Merger.

### **Comparative Per Share Market Price Information (Page 25)**

Shares of Allergan common stock are listed on the New York Stock Exchange under the symbol AGN. Inamed Shares trade on the NASDAQ National Market under the symbol IMDC. On November 14, 2005, the last full trading day before the public announcement of Allergan's proposal to acquire Inamed, the closing sales price of Allergan common stock on the New York Stock Exchange was \$98.85 and the closing sales price of Inamed Shares on the NASDAQ National Market was \$74.44. On December 8, 2005, the last full trading day prior to the date of this prospectus, the closing sales price of Allergan common stock was \$107.99 and the closing price of an Inamed Share was \$86.88. Inamed stockholders should obtain current market quotations for Allergan common stock and Inamed Shares before deciding whether to tender Inamed Shares in the Offer and before electing the form of Offer consideration they wish to receive. *See* Comparative Market Price Data.

### **Ownership of Allergan After the Offer (Page 72)**

Allergan estimates that if all Inamed Shares are exchanged pursuant to the Offer and the Inamed Merger, former Inamed stockholders would own, in the aggregate approximately 11% of the shares of Allergan common stock outstanding after the Inamed Merger. For a detailed discussion of the assumptions on which this estimate is based, see The Offer Ownership of Allergan After the Offer and the Inamed Merger.

### **Material Differences in Rights of Stockholders (Page 99)**

The rights of Allergan stockholders are different in some respects from the rights of Inamed stockholders. Therefore, Inamed stockholders will have different rights as stockholders once they become Allergan stockholders. The differences are described in more detail under Comparison of Stockholders' Rights.

### **Tax Considerations (Page 72)**

In the opinion of Gibson, Dunn & Crutcher LLP, Allergan's tax counsel, the Offer, the Inamed Merger and the Post-Closing Merger will be treated as a single integrated transaction that qualifies as a reorganization under Section 368(a) of the Internal Revenue Code (the Code). This opinion is given in reliance on customary representations and assumptions as to certain factual matters. *See* The Offer Material U.S. Federal Income Tax Consequences.

**Table of Contents**

In the opinion of Gibson, Dunn & Crutcher LLP, the tax consequences to Inamed stockholders who receive their shares of Allergan common stock and/or cash in exchange for shares of Inamed stock pursuant to a transaction constituting a reorganization within the meaning of Section 368(a) of the Code will generally be as follows:

an Inamed stockholder who exchanges all of its Inamed Shares for shares of Allergan common stock in the Offer and/or the Inamed Merger, will not recognize any gain or loss from the exchange, except with respect to cash received in lieu of fractional shares of Allergan common stock;

an Inamed stockholder who exchanges all of its Inamed Shares for cash in the Offer and/or Inamed Merger, generally will recognize gain or loss in the exchange equal to the difference between the aggregate amount of cash received for the Inamed Shares and the stockholder's tax basis in those Inamed Shares; and

an Inamed stockholder who exchanges its Inamed Shares for both shares of Allergan common stock and cash in the Offer and/or the Inamed Merger will recognize gain, but not loss in the exchange, equal to the lesser of (a) the amount of cash received in the transaction and (b) the amount of gain realized in the transaction. The amount of gain that is realized in the exchange will equal the excess of (i) the sum of the cash plus the fair market value of the Allergan common stock received in the exchange over (ii) the tax basis of the shares of Inamed common stock surrendered in the transaction.

Inamed stockholders should carefully read the discussion under "The Offer - Material U.S. Federal Income Tax Consequences," and consult their tax advisors on the consequences of participation in the Offer or the Inamed Merger.

**Accounting Treatment (Page 85)**

The acquisition of Inamed by Allergan will be accounted for as a purchase for financial reporting purposes.

**Questions about the Offer and the Inamed Merger**

Inamed stockholders should contact MacKenzie Partners, Inc., Allergan's information agent, at the following address and telephone numbers with any questions about the Offer or the Inamed Merger, or to request additional copies of this prospectus or other documents:

MacKenzie Partners, Inc.  
105 Madison Avenue  
New York, New York 10016  
Collect at (212) 929-5500  
or  
Toll-free at (800) 322-2885

**Table of Contents**

**RISK FACTORS**

*Inamed stockholders should carefully read this prospectus and the other documents referred to or incorporated by reference into this prospectus, including in particular the following risk factors, in deciding whether to tender Inamed Shares pursuant to the Offer.*

**Risk Factors Relating to the Offer**

***The transaction may adversely affect the liquidity and value of the Inamed Shares not tendered.***

If the Offer is completed but all Inamed Shares are not tendered in the Offer, the number of stockholders and the number of Inamed Shares publicly held will be greatly reduced. As a result, the closing of the Offer could adversely affect the liquidity and market value of the remaining Inamed Shares held by the public. In addition, following completion of the Offer, subject to the rules of the NASDAQ National Market, Inamed may seek to delist the Inamed Shares from the NASDAQ National Market. As a result of any such delisting, Inamed Shares not tendered pursuant to the Offer may become illiquid and may be of reduced value. See The Offer Plans for Inamed.

***Allergan has had access only to Inamed s publicly available information and certain of Inamed s non-public information. Therefore, Allergan may be subject to unknown Inamed liabilities, which may have a material adverse effect on the combined company s profitability and results of operations.***

To date, Allergan has only had access to Inamed s publicly available information and certain of its non-public information. As a result, after the consummation of the Offer, Allergan may be subject to unknown liabilities of Inamed, which Allergan might have otherwise discovered if Allergan had been permitted by Inamed to conduct a complete due diligence review of Inamed s non-public information. These unknown liabilities may have a material adverse effect on the combined company s profitability and results of operations.

***Inamed has not been involved in the preparation of the information contained in this prospectus, and such information may be inaccurate or incomplete.***

Allergan has relied upon information publicly filed by Inamed with the SEC for all information relating to Inamed presented in, or incorporated by reference into, this prospectus. Although neither Allergan nor Offeror has any knowledge that any such information or statements contain or incorporated by reference herein regarding Inamed s condition, including its financial or operating condition, are inaccurate, incomplete or untrue, neither Allergan nor Offeror were involved in the preparation of such information and statements. In addition, Allergan has made adjustments and assumptions in preparing the pro forma financial information presented in this prospectus that have necessarily involved Allergan s estimates with respect to Inamed s financial information. Any financial, operating or other information regarding Inamed that may be detrimental to Allergan following Offeror s acquisition of Inamed that has not been publicly disclosed by Inamed, or errors in Allergan s estimates due to Allergan s inability to gain full access to Inamed s non-public information, may have an adverse effect on the benefits Allergan expects to achieve through the consummation of the Offer, the Inamed Merger and the Post-Closing Merger.

***The market price of Allergan common stock may decline as a result of Allergan s acquisition of Inamed.***

The market price of Allergan s common stock may decline after the Offer and Inamed Merger are completed if: the integration of Inamed s business is unsuccessful or takes longer or is more disruptive than anticipated;

information regarding Inamed that has not been publicly disclosed has an adverse effect on the combined company s profitability or results of operations;

**Table of Contents**

after Allergan acquires Inamed, Allergan learns of information with respect to Inamed that prevents Allergan from making the certifications required by the Sarbanes-Oxley Act of 2002, which could reduce investors confidence in Allergan's reporting capabilities with respect to Inamed's business;

Allergan does not achieve the expected synergies or other benefits of the Inamed acquisition as rapidly or to the extent anticipated, if at all;

the effect of Allergan's acquisition of Inamed on Allergan's financial results does not meet the expectations of Allergan, financial analysts or investors;

after Allergan acquires Inamed, Inamed's business does not perform as anticipated; or

Allergan's credit rating is downgraded as a result of Allergan's increased indebtedness incurred to finance the Offer and the Inamed Merger.

As of November 25, 2005 there were 134,254,772 shares of Allergan common stock outstanding (including 1,796,909 shares held in treasury), and options outstanding to purchase an additional 11,293,611 shares. In connection with the Offer and Inamed Merger, Allergan estimates that Allergan could issue approximately 17,875,862 additional shares of Allergan common stock. The increase in the number of outstanding shares of Allergan common stock may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market price of Allergan common stock.

***Uncertainties exist in integrating the business and operations of Allergan and Inamed.***

After Allergan's acquisition of Inamed, Allergan expects to continue Inamed's current operations, other than those related to the Reloxin Assets. However, Allergan intends to integrate certain of Inamed's and Allergan's functions and operations. Although Allergan believes the integration will be successfully completed, there can be no assurance that Allergan will be able to successfully integrate Inamed's operations with those of Allergan. There will be inherent challenges in integrating the companies' operations that could result in a delay or the failure to achieve the anticipated synergies and, therefore, any potential increases in earnings and cost savings. Issues that must be addressed in integrating the operations of the companies include, among other things:

conforming standards, controls, procedures and policies, business cultures and compensation structures between Inamed and Allergan;

consolidating corporate and administrative infrastructures;

consolidating sales and marketing operations;

retaining existing customers and attracting new customers;

retaining key employees;

identifying and eliminating redundant and underperforming operations and assets;

minimizing the diversion of management's attention from ongoing business concerns;

coordinating geographically dispersed organizations;

managing tax costs or inefficiencies associated with integrating the operations of the combined company; and

possibly modifying operating control standards to comply with the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

If Allergan is not able to successfully address these challenges, Allergan may be unable to successfully integrate the companies' operations, or to realize the anticipated benefits of the integration of the two companies. Actual cost and sales synergies, if achieved at all, may be lower than Allergan currently expects and may take a longer time to achieve than Allergan currently anticipates.

**Table of Contents*****Even if the Offer is completed, full integration of Inamed's operations with Allergan's may be delayed if Offeror does not acquire at least 90% of the issued and outstanding Inamed Shares pursuant to the Offer.***

The Offer is subject to a condition that, before the expiration date, there shall have been validly tendered and not properly withdrawn at least a majority of the Inamed Shares on a fully diluted basis. If Offeror acquires at least 90% of the issued and outstanding Inamed Shares, the Inamed Merger will be able to be effected as a short-form merger under Delaware law. A short-form merger would enable Allergan to complete the acquisition of Inamed without any action on the part of the other holders of Inamed Shares. If Allergan does not acquire 90% of the issued and outstanding Inamed Shares, Allergan will be required to obtain the approval of Inamed stockholders to consummate the Inamed Merger. Although this will not prevent the Inamed Merger or Post-Closing Merger from occurring, as Offeror will hold sufficient Inamed Shares to approve the Inamed Merger, it would delay Allergan from completing the Inamed Merger and could delay the realization of some or all of the anticipated benefits from integrating Inamed's operations with Allergan's operations.

***Allergan's acquisition of Inamed could trigger certain provisions contained in Inamed's agreements with third parties that could require Allergan to make change of control payments or permit a counter-party to an agreement with Inamed to terminate that agreement.***

Because Allergan has not had the opportunity to review all non-public Inamed information, there may be Inamed agreements that permit a counter-party to terminate an agreement or receive payments because the Offer, the Inamed Merger or the Post-Closing Merger would cause a default or violate an anti-assignment, change of control or similar clause in such agreements. If this happens, Allergan may have to seek to replace that agreement with a new agreement or make additional payments under such agreements. However, Allergan may be unable to replace a terminated agreement on comparable terms or at all. Depending on the importance of such agreement to Inamed's business, the failure to replace a terminated agreement on similar terms or at all, and requirements to pay additional amounts, may increase the costs to Allergan of operating Inamed's business or prevent Allergan from operating part or all of Inamed's business.

***Antitrust authorities may attempt to delay or prevent Offeror's acquisition of Inamed.***

Allergan made a premerger filing under the HSR Act with the FTC and Antitrust Division of the DOJ on November 15, 2005. Until the applicable waiting period under the HSR Act expires or is terminated, Offeror may not purchase any Inamed Shares. In addition, Allergan has determined that it is required to file notifications of the Offer and Inamed Merger with the antitrust authorities in Spain and Germany. Allergan filed the requisite notifications in Germany on December 8, 2005 and in Spain on December 9, 2005. Until the applicable waiting periods under the laws of Germany and Spain expire or are terminated by the authorities in those jurisdictions, Offeror may not purchase any Inamed Shares. In order to minimize any potential antitrust issues, Allergan will agree to immediately divest itself of the Reloxin Assets in connection with the Offer. However, Allergan cannot provide any assurance that the necessary approvals will be obtained or that there will not be any adverse consequences to the business of Allergan or Inamed resulting from conditions that could be imposed in connection with obtaining these approvals, including other divestitures or operating restrictions upon Inamed or the combined company. The Offer is conditioned upon the receipt of all required antitrust approvals or clearances for Allergan's acquisition of Inamed, without Allergan, Inamed or any of Allergan's subsidiaries being required to meet any condition or restriction that would be materially adverse to the combined company, other than the divestiture of the Reloxin Assets, and no court or other authority prohibiting the consummation of the Offer, the Inamed Merger or the Post-Closing Merger. Inamed stockholders should be aware that all required regulatory approvals may not be timely obtained and could result in a significant delay in the consummation of the Offer, the Inamed Merger or the Post-Closing Merger.

**Table of Contents**

***Inamed stockholders who receive Allergan common stock in the Offer will become Allergan stockholders. Allergan's common stock may be affected by different factors and holders will have different rights than those as Inamed stockholders.***

Upon completion of the Offer, Inamed stockholders receiving shares of Allergan common stock will become stockholders of Allergan. Allergan's business differs from that of Inamed, and Allergan's results of operations and the trading price of Allergan common stock may be adversely affected by factors different from those that would affect Inamed's results of operations and stock price.

In addition, holders of shares of Allergan common stock will have different rights as stockholders than those rights they had as Inamed stockholders before the Offer or the Inamed Merger. For a detailed comparison of the rights of Allergan stockholders compared to the rights of Inamed stockholders, see [Comparison of Stockholders' Rights](#).

***Inamed stockholders may not receive all consideration in the form elected.***

At the time Inamed stockholders tender their Inamed Shares and make an election, they will not know exactly what combination of cash and shares of Allergan common stock they will receive because it will also depend upon the elections made by other tendering stockholders. Each tendering Inamed stockholder will receive either cash, shares of Allergan common stock, or a combination of cash and shares of Allergan common stock, based upon their election and the elections of other tendering stockholders. To the extent that the demand for either cash or stock consideration exceeds the aggregate amount of cash or Allergan common stock available in the Offer, Offeror will prorate the total cash or stock, as the case may be, proportionally among the stockholders who elect the form of consideration for which elections exceed availability. Inamed stockholders who do not make an election will be allocated whatever consideration is remaining (or a proportionate share of each consideration if neither is oversubscribed), after taking into account the elections of tendering stockholders who make elections.

***The receipt of shares of Allergan common stock in the Offer and/or the Inamed Merger may be taxable to Inamed stockholders.***

If the Offer, the Inamed Merger and the Post-Closing Merger are not treated as an integrated transaction for United States federal income tax purposes, if the Inamed Merger or the Post-Closing Merger is not completed, or if the transaction otherwise fails to qualify as a tax-free reorganization, the exchange of Inamed Shares for shares of Allergan common stock in the Offer and/or the Inamed Merger will be taxable to such stockholders for U.S. federal income tax purposes. In the opinion of Gibson, Dunn & Crutcher LLP, the Offer, the Inamed Merger and the Post-Closing Merger will be treated as an integrated transaction that qualifies as a tax-free reorganization under Section 368(a) of the Code. The opinion of Gibson, Dunn & Crutcher LLP assumes a number of factors that will not be definitively known prior to completion of the Offer, the Inamed Merger and the Post-Closing Merger. In addition, the opinion of Gibson, Dunn & Crutcher LLP will not be binding on the Internal Revenue Service and there can be no assurance that the Internal Revenue Service will not challenge the conclusion set forth therein. For more information, see [The Offer - Material U.S. Federal Income Tax Consequences](#) and the opinion of Gibson, Dunn & Crutcher LLP attached as Annex C to this prospectus.

***Inamed stockholders should consult their tax advisors to determine the specific tax consequences to them of the Offer, the Inamed Merger and the Post-Closing Merger, including any federal, state, local, foreign or other tax consequences, and any tax return filing or other reporting requirements.***

### **Risks Factors Relating to the Business of Allergan and the Combined Company**

*The results of operations of Allergan and the combined company will be subject to numerous risks affecting the business of Allergan and Inamed. Inamed and Allergan operate in a rapidly changing environment that involves a number of risks. The risks described below and other risks discussed elsewhere in this prospectus and Allergan's SEC filings could materially and adversely affect the business, financial condition, prospects, operating results or cash flows of the combined company. For a discussion of additional*



**Table of Contents**

*risk factors that affect the business of Inamed, see the discussion Risks and Uncertainties in Inamed's Form 10-Q for the quarter ended September 30, 2005 and Inamed's other SEC filings.*

***Allergan's indebtedness following the Offer will be greater than Allergan's existing indebtedness, which may increase its vulnerability to adverse financial conditions.***

Allergan's total indebtedness as of September 30, 2005 was approximately \$701.6 million. Allergan's pro forma total indebtedness as of September 30, 2005, after giving effect to the acquisition of 100% of the outstanding Inamed Shares will be approximately \$1,746.6 million, as described in Unaudited Pro Forma Combined Condensed Financial Statements. Allergan's debt service obligations with respect to this increased indebtedness could have an adverse impact on its earnings and cash flows for as long as the indebtedness is outstanding.

Allergan's increased indebtedness could have important consequences to holders of Allergan common stock, including former Inamed stockholders who receive Allergan shares in the Offer. For example, it could:

make it more difficult for Allergan to pay its debts as they become due upon the occurrence of any adverse economic conditions, either generally or in its industry or geographic areas in which it operates, because any related decrease in revenues could cause Allergan to not have sufficient cash flows from operations to make its scheduled debt payments;

limit Allergan's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and, consequently, place Allergan at a competitive disadvantage to its competitors;

require a substantial portion of Allergan's cash flows from operations be used to service debt, thereby reducing its ability to fund research and development, working capital, capital expenditures, acquisitions and other corporate purposes;

result in acceleration of the payment on Allergan's existing debt or a downgrade in Allergan's credit rating, which could limit Allergan's ability to borrow additional funds or increase the interest rates and restrictions applicable to Allergan's indebtedness; and

result in higher interest expense in the event of increases in interest rates, as some of Allergan's borrowings are, and will continue to be, at variable rates of interest.

There can be no assurance that Allergan will be able to pay all principal and interest payments when due under Allergan's existing and proposed credit facilities, and the indenture governing Allergan's currently outstanding notes. See The Offer Source and Amount of Funds.

***The terms of Allergan's existing and proposed debt agreements impose many restrictions on Allergan. Failure to comply with these restrictions could result in acceleration of Allergan's debt. Were this to occur, Allergan might not have, or be able to obtain, sufficient cash to pay its accelerated indebtedness.***

The operating and financial restrictions and covenants in Allergan's existing and proposed debt agreements may adversely affect Allergan's ability to finance future operations or capital needs or to engage in new business activities. Allergan's existing and proposed debt agreements restrict, or are expected to restrict, Allergan's ability to, among other things:

incur subsidiary debt;

incur liens;

engage in consolidations, mergers, and asset sales; and

engage in transactions with affiliates.

In addition, Allergan's existing and proposed debt agreements include, or are expected to include, financial covenants that Allergan maintain certain financial ratios. As a result of these covenants and ratios, Allergan will have

certain limitations on the manner in which it can conduct its business, and may be unable to engage in favorable business activities or finance future operations or capital needs. Accordingly, these

**Table of Contents**

restrictions may limit Allergan's ability to successfully operate its business. Failure to comply with the financial covenants or to maintain the financial ratios contained in the existing and proposed debt agreements could result in an event of default that could trigger acceleration of Allergan's indebtedness. There can be no assurance that Allergan's future operating results will be sufficient to ensure compliance with the covenants in its existing and proposed debt agreements or to remedy any such default. In addition, in the event of any default and related acceleration of obligations, Allergan may not have or be able to obtain sufficient funds to make any accelerated payments. *See* The Offer Source and Amount of Funds and Allergan's Existing Debt Agreements.

***The pharmaceutical industry is a highly competitive business.***

The pharmaceutical industry is highly competitive. This competitive environment requires an ongoing, extensive search for technological innovation. It also requires, among other things, the ability to effectively develop, test, and obtain regulatory approvals for products, as well as the ability to effectively commercialize, market and promote approved products, including communicating the effectiveness, safety and value of products to actual and prospective customers and medical professionals. Many competitors of Allergan and Inamed have greater resources, enabling them, among other things, to spread their research and development costs, as well as their marketing and promotion costs, over a broader revenue base. Competitors may also have more experience and expertise in obtaining marketing approvals from the FDA and other regulatory authorities. In addition to product development, testing, approval and promotion, other competitive factors in the pharmaceutical industry include industry consolidation, product quality and price, reputation, customer service and access to technical information. It is possible that developments by competitors could make the combined company's products or technologies less competitive or obsolete. In addition, competition from generic drug manufacturers is a major challenge in the United States and is growing internationally. For instance, Falcon Pharmaceuticals, Ltd., an affiliate of Alcon Laboratories, Inc., is currently attempting to obtain FDA approval for and to launch a brimonidine product to compete with Allergan's *Alphagan® P* product.

Until December 2000, *Botox®* was the only neuromodulator approved by the FDA. At that time, the FDA approved *Myobloc®*, a neuromodulator formerly marketed by Elan Pharmaceuticals and now marketed by Solstice Neurosciences, Inc. Allergan believes that Beaufour Ipsen Ltd. intends to seek FDA approval for its *Dysport®* neuromodulator for certain therapeutic indications, and Inamed, Beaufour Ipsen's marketing partner, intends to seek FDA approval for *Reloxin®* for cosmetic indications. Beaufour Ipsen has marketed *Dysport®* in Europe since 1991, prior to Allergan's European commercialization of *Botox®* in 1992. In connection with the Offer, Allergan will agree to divest to a third party all of Inamed's rights and interests in Beaufour Ipsen's *Reloxin®* for therapeutic and cosmetic indications. Inamed has announced that it is currently conducting Phase III trials for the product; and in connection with the divestiture of the Reloxin Assets, Allergan will cooperate fully with any subsequent licensee to ensure such licensee is able to benefit from all studies and trials conducted by Inamed to obtain regulatory approval for *Reloxin®*. Also, Mentor Corporation has announced its intention to develop and seek regulatory approval to market a competing neuromodulator in the United States. In addition, Allergan is aware of competing neuromodulators currently being developed and commercialized in Asia, Europe, South America and other markets. A Chinese entity received approval to market a botulinum toxin in China in 1997, and Allergan believes that it has launched or is planning to launch its botulinum toxin product in other lightly regulated markets in Asia, South America and Central America. These lightly regulated markets may not require adherence to the FDA's current Good Manufacturing Practices, or cGMPs, the European Medical Evaluation Agency or other regulatory agencies in countries that are members of the Organization for Economic Cooperation and Development, and companies operating in these markets may be able to produce products at a lower cost than can Allergan. In addition, Merz Pharmaceuticals received approval from German authorities for a botulinum toxin and launched its product in July 2005, and a Korean company is conducting Phase III clinical trials for a botulinum toxin in Korea. This product received exportation approval from Korean authorities in early 2005. Allergan's sales of *Botox®* could be materially and negatively impacted by this competition or competition from other companies that might obtain FDA approval or approval from other regulatory authorities to market a neuromodulator.

**Table of Contents**

***Botox® Cosmetic is a consumer product; trends may change. Changes in the consumer marketplace and applicable laws and economic conditions may adversely affect sales or product margins of Botox® or Botox® Cosmetic.***

*Botox® Cosmetic* is a consumer product. If Allergan fails to anticipate, identify or to react to competitive products or if consumer preferences in the cosmetic marketplace shift to other treatments for the temporary improvement in the appearance of moderate to severe glabellar lines, Allergan may experience a decline in demand for *Botox® Cosmetic*. In addition, the popular media has at times in the past produced, and may continue in the future to produce, negative reports and entertainment regarding the efficacy, safety or side effects of *Botox® Cosmetic*. Consumer perceptions of *Botox® Cosmetic* may be negatively impacted by these reports and for other reasons, including the use of unapproved botulinum toxins that result in injury, which may cause demand to decline.

Demand for *Botox® Cosmetic* also may be materially adversely affected by changing economic conditions. Generally, the costs of cosmetic procedures are borne by individuals without reimbursement from their medical insurance providers or government programs. Individuals may be less willing to incur the costs of these procedures in weak or uncertain economic environments, and demand for *Botox® Cosmetic* could be adversely affected.

Because *Botox®* and *Botox® Cosmetic* are pharmaceutical products, Allergan does not generally collect or pay sales tax or other taxes on sales of *Botox®* or *Botox® Cosmetic*. Allergan could be required to collect and pay sales or other taxes associated with prior, current or future years on sales of *Botox®* or *Botox® Cosmetic*. In addition to any retroactive taxes and corresponding interest and penalties that could be assessed, if Allergan is required to collect or pay sales or other tax associated with current or future years on sales of *Botox®* or *Botox® Cosmetic*, its sales of, or product margins on, *Botox®* or *Botox® Cosmetic* could be adversely affected due to the increased cost associated with those products.

***Allergan could experience difficulties creating the raw material needed to produce Botox® which would adversely affect sales.***

The manufacturing process to create the raw material necessary to produce *Botox®* is technically complex and requires significant lead-time. Any failure by Allergan to forecast demand for, or to maintain an adequate supply of, the raw material and finished product could result in an interruption in the supply of *Botox®* and a resulting decrease in sales of the product.

***Allergan's future success depends upon its ability to develop new products, and new indications for existing products, that achieve market acceptance.***

Allergan's future performance will be affected by the market acceptance of products such as *Lumigan®*, *Alphagan® P*, *Combigan<sup>tm</sup>*, *Restasis®*, *Acular LS®*, *Zymar®* and *Botox®*, as well as FDA approval of new indications for *Botox®*, and new products such as a *Lumigan®/Timolol* combination, *Posurdex®* and memantine. Allergan has allocated substantial resources to the development and introduction of new products and indications. For the business model of the combined company to be successful, new products must be continually developed, tested and manufactured and, in addition, must meet regulatory standards and receive requisite regulatory approvals in a timely manner. For instance, to obtain approval of new indications or products in the United States, a company must submit, among other information, the results of preclinical and clinical studies on the new indication or product candidate to the FDA. The number of preclinical and clinical studies that will be required for FDA approval varies depending on the new indication or product candidate, the disease or condition for which the new indication or product candidate is in development and the regulations applicable to that new indication or product candidate. If the FDA delays or does not approve of new indications for Allergan products or its new drug candidates, the price per share of Allergan common stock may be impacted upon the announcement of such delays or non-approvals. Allergan is also required to pass pre-approval reviews and plant inspections of its and its suppliers' facilities to demonstrate compliance with the FDA's cGMP regulations. Products that Allergan currently is developing or other future product candidates may or may not receive the regulatory approvals necessary for marketing. Furthermore, the

**Table of Contents**

development, regulatory review and approval, and commercialization processes are time consuming, costly and subject to numerous factors that may delay or prevent the development and commercialization of new products, including legal actions brought by its competitors. The FDA can delay, limit or deny approval of a new indication or product candidate for many reasons, including:

a determination that the new indication or product candidate is not safe and effective;

the FDA may interpret preclinical and clinical data in different ways than Allergan does;

the FDA may not approve a manufacturing process or facility; or

the FDA may change its approval policies or adopt new regulations.

In connection with Allergan's 2003 acquisitions of Bardeen Sciences Company, LLC and Oculex Pharmaceuticals, Inc., Allergan acquired the right to continue researching and developing certain compounds and products, for commercialization. It cannot be assured that these or any other compounds or products in development for commercialization will be able to be commercialized on terms that will be profitable, or at all. If any of Allergan's products cannot be successfully or timely commercialized, its operating results could be materially adversely affected. Delays or unanticipated costs in any part of the process or the inability of Allergan to obtain timely regulatory approval for any products, including those attributable to, among other things, a failure to maintain manufacturing facilities in compliance with all applicable regulatory requirements, could cause its operating results to suffer and stock price to decrease. It cannot be assured that new products or indications will be successfully developed, will receive regulatory approval or will achieve market acceptance. Further, even if Allergan receives FDA and other regulatory approvals for a new indication or product, the product may later exhibit adverse effects that limit or prevent its widespread use or that force Allergan to withdraw the product from the market or to revise its labeling to limit the indications for which the product may be prescribed.

***If Allergan is unable to obtain and maintain adequate patent protection for the technologies incorporated into its products, its business and results of operations could suffer.***

Patent protection is generally important in the pharmaceutical industry. Upon the expiration or loss of patent protection for a product, Allergan can lose a significant portion of sales of that product in a very short period of time as other companies manufacture generic forms of the previously protected product at lower cost, without having had to incur significant research and development costs in formulating the product. Therefore, Allergan's future financial success may depend in part on obtaining patent protection for technologies incorporated into its products. It cannot be assured that such patents will be issued, or that any existing or future patents will be of commercial benefit. In addition, it is impossible to anticipate the breadth or degree of protection that any such patents will afford, and it cannot be assured that any such patents will not be successfully challenged in the future. If Allergan is unsuccessful in obtaining or preserving patent protections, or if any of Allergan's products rely on unpatented proprietary technology, there can be no assurance that others will not commercialize products substantially identical to those products. Generic drug manufacturers currently are challenging the patents covering certain Allergan products and it is expected that they will continue to do so in the future. Allergan's business also relies on trade secrets and proprietary know-how that it seeks to protect, in part, through confidentiality agreements with third parties, including with partners, customers, employees and consultants. It is possible that these agreements will be breached or that they will not be enforceable in every instance, and that Allergan will not have adequate remedies for any such breach. It is also possible that Allergan's trade secrets will become known or independently developed by its competitors.

**Table of Contents*****Interruptions in the supply of raw materials could disrupt Allergan's manufacturing and cause its sales and profitability to decline.***

Allergan obtains the specialty chemicals that are the active pharmaceutical ingredients in certain of its products from single sources, who must maintain compliance with the FDA's cGMP regulations. If Allergan experiences difficulties acquiring sufficient quantities of these materials from its existing suppliers, or if suppliers are found to be non-compliant with the cGMPs, obtaining the required regulatory approvals, including from the FDA, to use alternative suppliers may be a lengthy and uncertain process. A lengthy interruption of the supply of one or more of these materials could adversely affect Allergan's ability to manufacture and supply products, which could cause its sales and profitability to decline.

***Importation of products from Canada and other countries into the United States may lower the prices Allergan receives for its products.***

In the United States, Allergan's products are subject to competition from lower priced versions of its products and competing products from Canada, Mexico, and other countries where government price controls or other market dynamics result in lower prices. Allergan's products that require a prescription in the United States often are available to consumers in these markets without a prescription, which may cause consumers to further seek out these products in these lower priced markets. The ability of patients and other customers to obtain these lower priced imports has grown significantly as a result of the Internet, an expansion of pharmacies in Canada and elsewhere targeted to American purchasers, the increase in U.S.-based businesses affiliated with Canadian pharmacies marketing to American purchasers, and other factors. Most of these foreign imports are illegal under current U.S. law. However, the volume of imports continues to rise due to the limited enforcement resources of the FDA and the U.S. Customs Service, and there is increased political pressure to permit the imports as a mechanism for expanding access to lower priced medicines.

In December 2003, Congress enacted the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. This law contains provisions that may change U.S. import laws and expand consumers' ability to import lower priced versions of products of Allergan and its competitors from Canada, where there are government price controls. These changes to U.S. import laws will not take effect unless and until the Secretary of Health and Human Services certifies that the changes will lead to substantial savings for consumers and will not create a public health safety issue. The former Secretary of Health and Human Services did not make such a certification. However, it is possible that the current Secretary or a subsequent Secretary could make the certification in the future. As directed by Congress, a task force on drug importation recently conducted a comprehensive study regarding the circumstances under which drug importation could be safely conducted and the consequences of importation on the health, medical costs and development of new medicines for U.S. consumers. The task force issued its report in December 2004, finding that there are significant safety and economic issues that must be addressed before importation of prescription drugs is permitted, and the current Secretary has not yet announced any plans to make the required certification. In addition, federal legislative proposals have been made to implement the changes to the U.S. import laws without any certification, and to broaden permissible imports in other ways. Even if the changes to the U.S. import laws do not take effect, and other changes are not enacted, imports from Canada and elsewhere may continue to increase due to market and political forces, and the limited enforcement resources of the FDA, the U.S. Customs Service and other government agencies. For example, state and local governments have suggested that they may import drugs from Canada for employees covered by state health plans or others, and some already have implemented such plans.

The importation of foreign products adversely affects Allergan's profitability in the United States. This impact could become more significant in the future, and the impact could be even greater if there is a further change in the law or if state or local governments take further steps to import products from abroad.

***Allergan's business will continue to expose it to risks of environmental liabilities.***

Allergan's product development programs and manufacturing processes involve the controlled use of hazardous materials, chemicals and toxic compounds. These programs and processes expose Allergan to risks

**Table of Contents**

that an accidental contamination could lead to noncompliance with environmental laws, regulatory enforcement actions and claims for personal injury and property damage. If an accident occurs, or if Allergan discovers contamination caused by prior operations, including by prior owners and operators of properties acquired, it could be liable for cleanup obligations, damages and fines. The substantial unexpected costs that Allergan may incur could have a significant and adverse effect on Allergan's business and results of operations.

***Allergan may experience losses due to product liability claims, product recalls or corrections.***

The design, development, manufacture and sale of Allergan's products involves an inherent risk of product liability or other claims by consumers and other third parties. Allergan has in the past been, and continues to be, subject to various product liability claims and lawsuits. In addition, it has in the past and may in the future recall or issue field corrections related to its products due to manufacturing deficiencies, labeling errors or other safety or regulatory reasons. There can be no assurance that Allergan will not in the future experience material losses due to product liability claims, lawsuits, product recalls or corrections.

Additionally, Allergan's products may cause, or may appear to cause, serious adverse side effects or potentially dangerous drug interactions if misused or improperly prescribed. These events, among others, could result in additional regulatory controls, such as the performance by Allergan of costly post-approval clinical studies or revisions to approved labeling, which could limit the indications or patient population for its products or could even lead to the withdrawal of a product from the market. Furthermore, any adverse publicity associated with such an event could cause consumers to seek alternatives to Allergan's products, which may cause its sales to decline, even if Allergan's products are ultimately determined not to have been the primary cause of the event.

***Health care initiatives and other cost-containment pressures could cause Allergan to sell its products at lower prices, resulting in decreased revenue.***

Some of Allergan's products are purchased or reimbursed by state and federal government authorities, private health insurers and other organizations, such as health maintenance organizations, or HMOs, and managed care organizations, or MCOs. Third party payors increasingly challenge pharmaceutical product pricing. The trend toward managed healthcare in the United States, the growth of organizations such as HMOs and MCOs, and various legislative proposals and enactments to reform healthcare and government insurance programs, including the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, could significantly influence the manner in which pharmaceutical products are prescribed and purchased, which could result in lower prices and/or a reduction in demand for Allergan's products.

In a recent rule establishing a competitive acquisition program, beginning January 2006, physicians who administer drugs in their offices will be offered an option to acquire drugs covered under the Medicare Part B benefit from vendors who are selected in a competitive bidding process. Winning vendors would be selected based on criteria that include their bid price. Such cost containment measures and healthcare reforms could adversely affect Allergan's ability to sell its products. Furthermore, individual states have become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third party payors or other restrictions could negatively and materially impact Allergan's revenues and financial condition. Allergan encounters similar regulatory and legislative issues in most countries outside the United States. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in the prescription drug and other healthcare programs. This can reduce demand for Allergan's products or put pressure on its product pricing, which could negatively affect its revenues and profitability.

**Table of Contents**

***Allergan is subject to risks arising from currency exchange rates, which could increase its costs and may cause its profitability to decline.***

Allergan collects and pays a substantial portion of its sales and expenditures in currencies other than the U.S. dollar. Therefore, fluctuations in foreign currency exchange rates affect its operating results. There can be no assurance that future exchange rate movements, inflation or other related factors will not have a material adverse effect on Allergan's sales, gross profit or operating expenses.

***Allergan is subject to risks associated with doing business internationally.***

Allergan's business is subject to certain risks inherent in international business, many of which are beyond its control. These risks include, among other things:

adverse changes in tariff and trade protection measures;

unexpected changes in foreign regulatory requirements;

potentially negative consequences from changes in or interpretations of tax laws;

differing labor regulations;

changing economic conditions in countries where Allergan's products are sold or manufactured or in other countries;

differing local product preferences and product requirements;

exchange rate risks;

restrictions on the repatriation of funds;

political unrest and hostilities;

differing degrees of protection for intellectual property; and

difficulties in coordinating and managing foreign operations.

Any of these factors, or any other international factors, could have a material adverse effect on Allergan's business, financial condition and results of operations. There can be no assurance that Allergan can successfully manage these risks or avoid their effects.

***Allergan may be subject to intellectual property litigation and infringement claims, which could cause it to incur significant expenses and losses or prevent it from selling its products.***

Although Allergan has a corporate policy not to infringe the valid and enforceable patents of others, there can be no assurance that Allergan's products will not infringe patents held by third parties. If Allergan or a third party discovers that Allergan may be infringing third party patents, licenses from those third parties may not be available on commercially attractive terms or at all. Allergan may have to defend, and has recently defended, against allegations that it violated patents or the proprietary rights of third parties. Litigation is costly and time-consuming, and diverts the attention of management and technical personnel. In addition, if Allergan infringes the intellectual property rights of others, it could lose its right to develop, manufacture or sell products or could be required to pay monetary damages or royalties to license proprietary rights from third parties. An adverse determination in a judicial or administrative proceeding or a failure to obtain necessary licenses could prevent Allergan from manufacturing or selling its products, which could harm its business, financial condition, prospects, results of operations and cash flows. See Item 1 of Part II of Allergan's Form 10-Q for the quarter ended September 30, 2005, and Note 9 in the notes to the unaudited condensed consolidated financial statements contained therein for information concerning Allergan's current intellectual property litigation.





**Table of Contents*****The consolidation of drug wholesalers and other wholesaler actions could increase competitive and pricing pressures on pharmaceutical manufacturers, including Allergan.***

Allergan sells its pharmaceutical products primarily through wholesalers. These wholesale customers comprise a significant part of the distribution network for pharmaceutical products in the United States. This distribution network is continuing to undergo significant consolidation marked by mergers and acquisitions. As a result, a smaller number of large wholesale distributors control a significant share of the market. Allergan expects that consolidation of drug wholesalers will increase competitive and pricing pressures on pharmaceutical manufacturers, including Allergan. In addition, wholesalers may apply pricing pressure through the implementation of fee-for-service arrangements, and their purchases may exceed customer demand, resulting in reduced wholesaler purchases in later quarters. There can be no assurance that Allergan can manage these pressures or that wholesaler purchases will not decrease as a result of this potential excess buying.

***Allergan may acquire other companies in the future and these acquisitions could disrupt its business.***

As part of its business strategy, Allergan regularly considers and, as appropriate, makes acquisitions of technologies, products and businesses that it believes are complementary or additive to its business. As discussed above, acquisitions typically entail many risks and could result in difficulties in integrating the operations, personnel, technologies and products of the companies acquired, some of which may result in significant charges to earnings. If Allergan is unable to successfully integrate these acquisitions with its existing business, it may not obtain the advantages that the acquisitions were intended to create, which may materially adversely affect its business, results of operations, financial condition and cash flows, its ability to develop and introduce new products and the market price of its stock. In connection with acquisitions, Allergan could experience disruption in its business or employee base, or key employees of companies that it acquires may seek employment elsewhere, including with Allergan's competitors. Furthermore, the products of companies Allergan acquires may overlap with its products or those of its customers, creating conflicts with existing relationships or with other commitments that are detrimental to the integrated businesses.

***Compliance with the extensive government regulations to which Allergan is subject is expensive and time consuming, and may result in the delay or cancellation of product sales, introductions or modifications.***

Extensive industry regulation has had, and will continue to have, a significant impact on Allergan's business, especially its product development and manufacturing capabilities. All pharmaceutical companies, including Allergan, are subject to extensive, complex, costly and evolving regulation by federal governmental authorities, principally by the FDA and the U.S. Drug Enforcement Administration, or DEA, and similar foreign and state government agencies. Failure to comply with the regulatory requirements of the FDA, DEA and other U.S. and foreign regulatory requirements may subject a company to administrative or judicially imposed sanctions, including, among others, a refusal to approve a pending application to market a new product or a new indication for an existing product. The Federal Food, Drug, and Cosmetic Act, the Controlled Substances Act and other domestic and foreign statutes and regulations govern or influence the research, testing, manufacturing, packing, labeling, storing, record keeping, safety, effectiveness, approval, advertising, promotion, sale and distribution of Allergan's products. Under certain of these regulations, Allergan is subject to periodic inspection of its facilities, production processes and control operations and/or the testing of its products by the FDA, the DEA and other authorities, to confirm that they are in compliance with all applicable regulations, including the FDA's cGMP regulations. The FDA conducts pre-approval and post-approval reviews and plant inspections of Allergan and its suppliers to determine whether its record keeping, production processes and controls, personnel and quality control are in compliance with the cGMPs and other FDA regulations. Allergan is also required to perform extensive audits of its vendors, contract laboratories and suppliers to ensure that they are compliant with these requirements. In addition, in order to commercialize its products or new indications for an existing product, Allergan must demonstrate that the product or new indication is safe and effective, and that its and its suppliers' manufacturing facilities are compliant with applicable regulations, to the satisfaction of the FDA and other regulatory agencies.

The process for obtaining governmental approval to manufacture pharmaceutical products is rigorous, typically takes many years and is costly, and Allergan cannot predict the extent to which it may be affected by



**Table of Contents**

legislative and regulatory developments. Allergan is dependent on receiving FDA and other governmental approvals prior to manufacturing, marketing and shipping its products. Allergan may fail to obtain approval from the FDA or other governmental authorities for its product candidates, or experience delays in obtaining such approvals, due to varying interpretations of data or failure to satisfy rigorous efficacy, safety and manufacturing quality standards. Consequently, there is always a risk that the FDA or other applicable governmental authorities will not approve Allergan's products, or will take post-approval action limiting or revoking Allergan's ability to sell its products, or that the rate, timing and cost of such approvals will adversely affect Allergan's product introduction plans, results of operations and stock price. Despite the time and expense exerted, regulatory approval is never guaranteed.

Even after Allergan obtains regulatory approval for a product candidate or new indication, it is subject to extensive regulation, including ongoing compliance with the FDA's cGMP regulations, completion of post-marketing clinical studies mandated by the FDA, and compliance with regulations relating to adverse event reporting, labeling, advertising, marketing and promotion. If Allergan or any third party that it involves in the testing, packing, manufacture, labeling, marketing and distribution of its products fails to comply with any such regulations, they may be subject to, among other things, warning letters, product seizures, recalls, fines or other civil penalties, injunctions, suspension or revocation of approvals, operating restrictions and criminal prosecution.

The FDA recently has increased its enforcement activities related to the advertising and promotion of pharmaceutical and biological products. In particular, the FDA has expressed concern regarding the pharmaceutical industry's compliance with the agency's regulations governing direct-to-consumer advertising, and has increased its scrutiny of such promotional materials. The FDA may limit or, with respect to certain products, terminate Allergan's dissemination of direct-to-consumer advertisements in the future, which could cause sales for those products to decline.

Physicians may prescribe pharmaceutical or biologic products for uses that are not described in a product's labeling or differ from those tested by Allergan and approved by the FDA. While such off-label uses are common and the FDA does not regulate a physician's choice of treatment, the FDA does restrict a manufacturer's communications on the subject of off-label use. Companies cannot actively promote FDA-approved pharmaceutical or biologic products for off-label uses, but they may disseminate to physicians articles published in peer-reviewed journals. To the extent allowed by law, Allergan disseminates peer-reviewed articles on its products to targeted physicians. If, however, its promotional activities fail to comply with the FDA's regulations or guidelines, it may be subject to warnings from, or enforcement action by, the FDA or another enforcement agency.

***If Allergan markets products in a manner that violates health care fraud and abuse laws, it may be subject to civil or criminal penalties.***

Federal health care program anti-kickback statutes prohibit, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration to induce or in return for purchasing, leasing, ordering, or arranging for the purchase, lease or order of any health care item or service reimbursable under Medicare, Medicaid, or other federally financed health care programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchases, or recommendations may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Although Allergan believes that it is in compliance, its practices may be determined to fail to meet all of the criteria for safe harbor protection from anti-kickback liability.

Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. Pharmaceutical companies have been prosecuted under these laws for a variety of alleged promotional and marketing activities, such as allegedly providing free product to customers

**Table of Contents**

with the expectation that the customers would bill federal programs for the product; reporting to pricing services inflated average wholesale prices that were then used by federal programs to set reimbursement rates; engaging in off-label promotion that caused claims to be submitted to Medicaid for non-covered off-label uses; and submitting inflated best price information to the Medicaid Rebate Program.

The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines, and imprisonment.

Because of the breadth of these laws and the narrowness of the safe harbors, it is possible that some of Allergan's business activities could be subject to challenge under one or more of such laws. For example, Allergan and several other pharmaceutical companies are currently subject to suits by governmental entities in several jurisdictions, including Massachusetts, New York and Alabama alleging that Allergan and those other companies, through promotional, discounting, and pricing practices reported false and inflated average wholesale prices or wholesale acquisition costs and failed to report best prices as required by federal and state rebate statutes, resulting in the plaintiffs overpaying for certain medications.

Table of Contents**COMPARATIVE MARKET PRICE DATA**

Shares of Allergan common stock are listed on the New York Stock Exchange under the symbol AGN and Inamed Shares are traded on the NASDAQ National Market under the symbol IMDC.

The following table sets out historical closing prices per share for Allergan shares and the Inamed Shares on November 14, 2005, the last full trading day before the public announcement of Allergan's proposal to acquire Inamed, and December 8, 2005, the last full trading day before the date of this prospectus. The implied value per Inamed Share of the common stock consideration in the Offer on each of the specified dates represents the closing sales price of a share of Allergan common stock on that date multiplied by the exchange ratio of 0.8498 per share. The implied value of the Medicis Merger per Inamed Share on each of the specified dates represents \$30.00, the cash component per Inamed Share in the Medicis merger, plus the closing price of a share of Medicis common stock on the specified date multiplied by the Medicis Merger exchange ratio of 1.4205.

	Per Inamed Share					
	Allergan Common Stock (NYSE)	Inamed Common Stock (NASDAQ)	Implied Value of Allergan Offer			Implied Value of Medicis- Inamed Merger
			Cash	Stock	Full Proration	
November 14, 2005	\$ 98.85	\$ 74.44	\$ 84.00	\$ 84.00	\$ 84.00	\$ 72.15
December 8, 2005	\$ 107.99	\$ 86.88	\$ 84.00	\$ 91.77	\$ 88.27	\$ 78.37*

\* As noted above, on November 18, 2005, Mentor made an unsolicited proposal to acquire Medicis for 0.62 of a share of Mentor common stock for each share of Medicis common stock, or an implied value, as of such date, of \$34.81 per share of Medicis common stock. At such price the implied value of the Medicis Merger is \$79.45; however, acceptance of the Mentor proposal by Medicis requires the termination of the Medicis merger agreement. On November 20, 2005, the board of directors of Medicis unanimously rejected Mentor's offer.

The market prices of shares of Allergan common stock and Inamed Shares will fluctuate prior to the expiration date of the Offer and thereafter, and may be different at the expiration date from the prices set forth above, and for Inamed stockholders tendering Inamed Shares in the Offer, at the time they receive cash or shares of Allergan common stock. **Inamed stockholders are encouraged to obtain current market quotations prior to making any decision with respect to the Offer.** See The Offer Effect of the Offer on the Market for Inamed Shares; NASDAQ Listing; Registration Under the Exchange Act; Margin Regulations for a discussion of the possibility that Inamed's Shares will cease to be listed on the NASDAQ National Market.

**Table of Contents****COMPARATIVE PER SHARE DATA  
(UNAUDITED)**

The following table reflects historical information about basic and diluted income per share, cash dividends per share, and book value per share for the nine month period ended September 30, 2005 and the year ended December 31, 2004, on a historical basis, and for Allergan and Inamed on an unaudited pro forma combined basis after giving effect to the Offer, the Inamed Merger and the Post-Closing Merger. The pro forma data of the combined company assumes the acquisition of 100% of the Inamed Shares by Allergan and was derived by combining the historical consolidated financial information of Allergan and Inamed as described elsewhere in this prospectus. The equivalent pro forma combined per share data for Allergan assumes that 45% of the Inamed Shares will be exchanged for cash and 55% of the Inamed Shares will be exchanged for shares of Allergan common stock. The actual percentage of cash and Allergan common stock an Inamed stockholder will receive depends upon such stockholder's election and the elections made by other Inamed stockholders and any resulting proration. For a discussion of the assumptions and adjustments made in preparing the pro forma financial information presented in this prospectus, see Unaudited Pro Forma Combined Condensed Financial Statements.

Inamed stockholders should read the information presented in the following table together with the historical financial statements of Allergan and Inamed and the related notes which are incorporated herein by reference, and the Unaudited Pro Forma Combined Condensed Financial Statements appearing elsewhere in this prospectus. The pro forma data is unaudited and for illustrative purposes only. Inamed stockholders should not rely on this information as being indicative of the historical results that would have been achieved during the periods presented had the companies always been combined or the future results that the combined company will achieve after the consummation of the Offer, the Inamed Merger and the Post-Closing Merger. This pro forma information is subject to risks and uncertainties, including those discussed under Risk Factors above.

<b>Allergan</b>	<b>Nine Months Ended September 30, 2005</b>	<b>Year Ended December 31, 2004</b>
<b>Historical data</b>		
<b>per share of Allergan common stock</b>		
Net earnings:		
Basic	\$ 2.02	\$ 2.87
Diluted	\$ 1.98	\$ 2.82
Book value	\$ 10.18	\$ 8.49
Cash dividends declared	\$ 0.30	\$ 0.36
<b>Pro forma combined data</b>		
<b>per share of Allergan common stock</b>		
Pro forma earnings:		
Basic	\$ 1.69	\$ 2.34
Diluted	\$ 1.66	\$ 2.30
Pro forma book value	\$ 19.96	
<b>Inamed</b>	<b>Nine Months Ended September 30, 2005</b>	<b>Year Ended December 31, 2004</b>

**Historical data per Inamed Share**

Net income:			
Basic	\$	1.36	\$ 1.77
Diluted	\$	1.34	\$ 1.75
Book value	\$	13.72	\$ 12.43



**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ALLERGAN**

The following table summarizes selected historical consolidated financial data of Allergan for each of the five years ended December 31, 2004, and for each of the nine month periods ended September 30, 2005 and September 24, 2004 and was derived from Allergan's unaudited condensed consolidated financial statements. The selected historical consolidated financial data for the five years ended December 31, 2004 was derived from Allergan's audited consolidated financial statements. This information is only a summary. You should read it in conjunction with Allergan's historical consolidated financial statements and related notes contained in the quarterly and annual reports and other information Allergan has filed with the Securities and Exchange Commission and incorporated by reference into this registration statement. The operating results for the nine month period ended September 30, 2005 are not necessarily indicative of the results for the remainder of the fiscal year or any future period. Allergan's management believes that its respective interim unaudited condensed consolidated financial statements reflect all adjustments necessary, consisting only of normal recurring accruals, for a fair presentation of the results for the interim periods presented. See Where To Obtain More Information.

	<b>Year Ended December 31,</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>(in millions, except per share data)</b>				
<b>Summary of Operations:</b>					
Product net sales	\$ 2,045.6	\$ 1,755.4	\$ 1,385.0	\$ 1,142.1	\$ 992.1
Research service revenues (primarily from a related party through April 16, 2001)		16.0	40.3	60.3	62.9
Operating costs and expenses					
Cost of product sales	386.7	320.3	221.7	198.1	197.7
Cost of research services		14.5	36.6	56.1	59.4
Selling, general and administrative	778.9	697.2	623.8	481.0	410.3
Research and development	345.6	763.5	233.1	227.5	165.7
Technology fees from related party				(0.7)	(3.1)
Legal settlement			118.7		
Restructuring charge (reversal) and asset write-offs, net	7.0	(0.4)	62.4	(1.7)	0.2
Operating income (loss)	527.4	(23.7)	129.0	242.1	224.8
Non-operating income (loss)	4.7	(5.8)	(39.2)	18.2	10.8
Earnings (loss) from continuing operations before income taxes and minority interest	532.1	(29.5)	89.8	260.3	235.6
Earnings (loss) from continuing operations	377.1	(52.5)	64.0	171.2	165.9
Earnings from discontinued operations			11.2	54.9	49.2
Net earnings (loss)	\$ 377.1	\$ (52.5)	\$ 75.2	\$ 224.9	\$ 215.1
Basic earnings (loss) per share:					
Continuing operations	\$ 2.87	\$ (0.40)	\$ 0.49	\$ 1.30	\$ 1.27
Discontinued operations			0.09	0.42	0.38
Diluted earnings (loss) per share:					
Continuing operations	\$ 2.82	\$ (0.40)	\$ 0.49	\$ 1.29	\$ 1.24
Discontinued operations			0.08	0.40	0.37
Cash dividends per share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.32

## At December 31,

	2004	2003	2002	2001	2000
--	------	------	------	------	------

(in millions)

**Balance Sheet Data:**

Current assets	\$ 1,376.0	\$ 928.2	\$ 1,200.2	\$ 1,114.8	\$ 1,097.4
Working capital	916.4	544.8	796.6	710.4	752.1
Total assets	2,257.0	1,754.9	1,806.6	2,046.2	1,971.0
Long-term debt	570.1	573.3	526.4	444.8	484.3
Total stockholders equity	1,116.2	718.6	808.3	977.4	873.8

**Table of Contents**

	<b>Nine Months Ended</b>	
	<b>September 30, 2005</b>	<b>September 24, 2004</b>
	<b>(in millions, except per share data)</b>	
<b>Summary of Operations:</b>		
<i>Product Sales</i>		
Net sales	\$ 1,724.3	\$ 1,489.4
Cost of sales	304.3	282.9
Product gross margin	1,420.0	1,206.5
Operating costs and expenses		
Selling, general and administrative	689.5	572.8
Research and development	283.5	257.6
Restructuring charge (reversal)	37.6	
Operating income	409.4	376.1
Non-operating income (expense)		
Interest income	23.0	6.8
Interest expense	(7.5)	(14.2)
Unrealized gain on derivative instruments, net	1.0	0.1
Gain on investments	0.8	
Other, net	3.0	2.3
	20.3	(5.0)
Earnings before income taxes and minority interest	429.7	371.1
Provision for income taxes	163.2	105.8
Minority interest expense	2.7	0.7
Net earnings	\$ 263.8	\$ 264.6
Earnings per share:		
Basic	\$ 2.02	\$ 2.02
Diluted	\$ 1.98	\$ 1.97
Cash dividends per share	\$ 0.30	\$ 0.27

**At  
September 30,  
2005**

**(in millions)****Balance Sheet Data:**

Current assets	\$	1,626.7
Working capital		1,027.3
Total assets		2,633.4
Long-term debt		575.6
Total stockholders' equity		1,339.6

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF INAMED**

The following table sets forth selected historical consolidated financial data of Inamed for each of the five years ended December 31, 2004 and for each of the nine month periods ended September 30, 2005 and 2004 and was derived from Inamed's interim unaudited consolidated financial statements. The selected historical consolidated financial data for the five years ended December 31, 2004 was derived from Inamed's audited consolidated financial statements. This information is only a summary. You should read it in conjunction with Inamed's historical financial statements and related notes contained in the quarterly and annual reports and other information Inamed has filed with the Securities and Exchange Commission and incorporated by reference into this registration statement (except the report of Inamed's independent registered public accountants contained therein which is not incorporated by reference herein because Inamed's independent registered public accountants have not consented to the incorporation of such report by reference in this prospectus. *See* Note on Inamed Information ). The operating results for the nine month period ended September 30, 2005 are not necessarily indicative of the results for the remainder of the fiscal year or any future period. The respective interim unaudited consolidated financial statements reflect all adjustments necessary, consisting only of normal recurring accruals, for a fair presentation of the results for the interim periods presented. *See* Where To Obtain More Information.

	<b>Year Ended December 31,</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>(in millions, except per share data)</b>				
<b>Statements of Operations:</b>					
Net sales	\$ 384.4	\$ 332.6	\$ 275.7	\$ 238.1	\$ 240.1
Cost of goods sold	97.9	92.8	77.6	67.2	66.4
Gross profit	286.5	239.8	198.1	170.9	173.7
<b>Operating expenses:</b>					
Selling, general and administrative	179.7 <sup>(3)</sup>	141.8	126.7	96.6	102.3
Research and development	28.8	21.5	13.6	12.2	9.9
Restructuring charges			5.1	12.0	
Amortization of intangible assets	5.0	4.0	4.9	11.3 <sup>(1)</sup>	9.3
Total operating expenses	213.5	167.3	150.3	132.1	121.5
Operating income	73.0	72.5	47.8	38.8	52.2
<b>Other income (expense):</b>					
Net interest income (expense) and debt costs	0.5 <sup>(2)</sup>	(9.4)	(11.7)	(11.7)	(10.5)
Foreign currency transaction gains (losses)	0.1	(0.1)	0.3	(0.4)	2.6
Royalty income and other	4.7	4.2	5.8	5.0	7.0
Total other income (expense), net	5.3	(5.3)	(5.6)	(7.1)	(0.9)
Income before income tax expense	78.3	67.2	42.2	31.7	51.3
Income tax expense	15.2	14.2	9.3	10.7	14.3
Net income	\$ 63.1	\$ 53.0	\$ 32.9	\$ 21.0	\$ 37.0

## Net income per share of common stock

Basic	\$ 1.77	\$ 1.54	\$ 1.04	\$ 0.69	\$ 1.21
Diluted	\$ 1.75	\$ 1.51	\$ 1.00	\$ 0.64	\$ 1.07
Weighted average shares outstanding:					
Basic	35.6	34.5	31.5	30.3	30.6
Diluted	36.0	35.2	32.9	32.6	34.5

Note 1 In 2000 and 2001, Inamed recorded amortization on goodwill in accordance with APB Opinion No. 17. Beginning January 1, 2002, Inamed adopted Statement of Financial Accounting Standard (SFAS) No. 142 and ceased amortizing goodwill.

Note 2 Interest expense decreased in 2004 due to Inamed's debt refinancing and principal reduction in mid-2003. In addition, Inamed began investing its excess cash in short-term investments in 2004, which significantly increased its interest income.

Note 3 Selling, general, and administrative includes a one-time legal settlement of \$17.2 million with Ethicon Endo-Surgery, Inc. relating to a patent infringement case.

**Table of Contents**

	<b>At December 31,</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>(in millions)</b>				
<b>Balance Sheet Data:</b>					
Working capital	\$ 190.9	\$ 131.9	\$ 81.4	\$ 63.3	\$ 50.8
Total assets	570.1	501.0	439.4	400.2	385.9
Total long-term debt and capital leases (incl. current portion)	22.5	32.5	83.7	121.0	98.6
Stockholders' equity	446.3	351.5	232.7	174.4	167.7

	<b>Nine Months Ended</b>	
	<b>September 30, 2005</b>	<b>September 30, 2004</b>
	<b>(in millions, except per share data)</b>	
<b>Statements of Operations</b>		
		&nbsp;