

ADVANCED MEDICAL OPTICS INC

Form S-4/A

January 11, 2005

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As filed with the Securities and Exchange Commission on January 10, 2005

Registration No. 333-121009

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

ADVANCED MEDICAL OPTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3841
(Primary Standard Industrial
Classification Code Number)

33-0986820
(I.R.S. Employer
Identification No.)

1700 E. St. Andrew Place

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Santa Ana, California 92705

(714) 247-8200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Aimee S. Weisner, Esq.

Corporate Vice President, General Counsel and Secretary

1700 E. St. Andrew Place

Santa Ana, California 92705

(714) 247-8200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Brian J. McCarthy, Esq.

Skadden, Arps, Slate, Meagher

& Flom LLP

300 South Grand Avenue

Los Angeles, California 90071

(213) 687-5000

John F. Runkel, Jr., Esq.

Senior Vice President of Business

Development & General Counsel

VISX, Incorporated

3400 Central Expressway

Santa Clara, California 95051

(408) 773-2020

John V. Roos, Esq.

Page Mailliard, Esq.

Michael S. Ringler, Esq.

Wilson Sonsini Goodrich & Rosati,

Professional Corporation

650 Page Mill Road

Palo Alto, California 94304-1050

(650) 493-9300

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions under the merger agreement described herein.

If the securities being registered on this form are to be 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, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

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 that 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 Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this joint proxy statement/prospectus is not complete and may be changed. AMO may not sell these securities until the registration statement filed with the Securities and Exchange Commission, of which this document is a part, is declared effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any representation to the contrary is a criminal offense.

Subject to completion, dated January 10, 2005

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Your vote is very important. Whether or not you plan to attend your respective company's special meeting, please take the time to vote by completing and mailing to us the enclosed proxy card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. If your shares are held in street name, you must instruct your broker in order to vote.

Sincerely,

James V. Mazzo
President and Chief Executive Officer
Advanced Medical Optics, Inc.

Elizabeth H. Dávila
Chairman and Chief Executive Officer
VISX, Incorporated

None of the Securities and Exchange Commission, any state securities regulator or any regulatory authority has approved or disapproved of these transactions or the securities to be issued under this joint proxy statement/prospectus or determined if the disclosure in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated _____, _____, and is being mailed to stockholders of AMO and VISX on or about _____, _____.

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about AMO and VISX from documents that are not included in or delivered with this joint proxy statement/prospectus. For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see **Additional Information Where You Can Find More Information** beginning on page 139.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus from AMO or VISX, as applicable, or from the Securities and Exchange Commission, which is referred to as the SEC, through the SEC's website at www.sec.gov. Documents incorporated by reference are available from AMO and VISX without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this joint proxy statement/prospectus. AMO stockholders and VISX stockholders may request a copy of such documents by contacting the applicable department at:

Advanced Medical Optics, Inc.
1700 East St. Andrew Place
Santa Ana, California 92705
Attn: Investor Relations

VISX, Incorporated
3400 Central Expressway
Santa Clara, California 95051
Attn: Investor Relations

In addition, you may obtain copies of the information relating to AMO, without charge, by sending an e-mail to investors@AMO-inc.com or by calling (714) 247-8348.

You may obtain copies of the information relating to VISX, without charge, by sending an e-mail to ir@VISX.com or by calling (408) 773-7600.

We are not incorporating the contents of the websites of the SEC, AMO, VISX or any other person into this document. We are only providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites for your convenience.

In order for you to receive timely delivery of the documents in advance of the AMO and VISX special meetings, AMO or VISX, as applicable, should receive your request no later than , .

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ADVANCED MEDICAL OPTICS, INC.

1700 East St. Andrew Place

Santa Ana, California 92705

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON _____, 2005

To the Stockholders of Advanced Medical Optics, Inc.:

We will hold a special meeting of stockholders of AMO at _____, on _____, 2005, at _____ a.m. local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of AMO common stock in the merger, pursuant to the Agreement and Plan of Merger, dated as of November 9, 2004, by and among Advanced Medical Optics, Inc., Vault Merger Corporation, a wholly owned subsidiary of AMO, and VISX, Incorporated, as amended.
2. To consider and vote upon a proposal to approve an amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock from 120,000,000 to 240,000,000.
3. To consider and vote upon a proposal to approve the AMO 2005 Incentive Compensation Plan.
4. To consider and vote upon a proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan.
5. To consider and vote upon a proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.

AMO stockholders will also be asked to consider and vote upon any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

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These items of business are described in this joint proxy statement/prospectus. Only AMO stockholders of record at the close of business on _____, the record date for the special meeting, are entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. A list of stockholders eligible to vote at the AMO special meeting will be available for inspection at the special meeting and at the executive offices of AMO during regular business hours for a period of no less than ten days prior to the special meeting.

The AMO board of directors unanimously recommends that you vote FOR the proposal to approve the issuance of shares of AMO common stock in the merger, FOR the proposal to amend the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, FOR the proposal to approve the AMO 2005 Incentive Compensation Plan, FOR the proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan and FOR the proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.

Your vote is very important. If you are the record holder of your shares, whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card as soon as possible and return it in the postage-prepaid envelope provided, or use our 24-hour a day telephone or Internet voting options to submit a proxy. If you hold your shares through a broker or nominee (*i.e.*, in street name), whether or not you plan to attend the special meeting, please complete, sign and return the voting instruction form provided to you by the record holder of your shares. In addition, you should check the voting instruction form provided to you by the record holder of your shares to determine whether you will be able to submit voting instructions by telephone or the Internet. Submitting a proxy over the Internet, by telephone or by mailing the enclosed proxy card will ensure your shares are represented at the special meeting, but will not prevent you from attending and voting in person at the special meeting. However, if you do not submit a proxy or voting instructions now, or if you do not vote in person at the special meeting, the effect may be the same as a vote against the proposals being submitted to AMO stockholders at the special meeting or may have a negative effect on AMO's ability to obtain the necessary quorum or the number of votes necessary to be cast on a particular proposal. For more detailed instructions on how to vote your shares, please refer to the section of this joint proxy statement/prospectus entitled "The AMO Special Meeting" beginning on page 28.

By Order of the Board of Directors,

AIMEE S. WEISNER

Corporate Vice President,

General Counsel and Secretary

Advanced Medical Optics, Inc.

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VISX, INCORPORATED

3400 Central Expressway

Santa Clara, California 95051

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON _____, 2005

To the Stockholders of VISX, Incorporated:

We will hold a special meeting of stockholders of VISX at _____, on _____, 2005 at _____ a.m. local time, to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of November 9, 2004, by and among Advanced Medical Optics, Inc., Vault Merger Corporation, a wholly owned subsidiary of AMO, and VISX, Incorporated, as amended, and the merger contemplated by the merger agreement, pursuant to which Vault Merger Corporation would merge with VISX and each outstanding share of VISX common stock is expected to be converted into the right to receive 0.552 of a share of AMO common stock and \$3.50 in cash, subject to adjustment as more fully described in the attached joint proxy statement/prospectus.

VISX stockholders will also be asked to consider and vote upon such other business as may properly come before the special meeting, or any adjournment or postponement of the special meeting.

The VISX board of directors has unanimously approved the merger agreement and the merger contemplated by the merger agreement, and recommends that you vote FOR the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, as described in this joint proxy statement/prospectus.

Only VISX stockholders of record at the close of business on _____, _____, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. A complete list of VISX stockholders entitled to vote at the VISX special meeting will be available for inspection at the executive offices of VISX during regular business hours for a period of no less than ten days before the special meeting. You should be prepared to present photo identification for admittance to the special meeting (including adjournments or postponements). In addition, if you are a record holder, your name is subject to verification against the list of record holders on the record date prior to being admitted to the meeting. If you are not a record holder but hold shares through a broker or nominee (*i.e.*, in street name), you should be prepared to provide proof of beneficial ownership on the record date, such as your most recent account statement prior to _____, _____, or similar evidence of ownership. If you do not comply with the procedures outlined above, you may not be admitted to the special meeting.

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Your vote is very important. If you are the record holder of your shares, whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card as soon as possible and return it in the postage-prepaid envelope provided, or use our 24-hour a day telephone or Internet voting options to submit a proxy. If you hold your shares through a broker or nominee (*i.e.*, in street name), whether or not you plan to attend the special meeting, please complete, sign and return the voting instruction form provided to you by the record holder of your shares. In addition, you should check the voting instruction form provided to you by the record holder of your shares to determine whether you will be able to submit voting instructions by telephone or the Internet. Submitting a proxy over the Internet, by telephone or by mailing the enclosed proxy card will ensure your shares are represented at the special meeting, but will not prevent you from attending and voting in person at the special meeting. However, if you do not submit a proxy or voting instructions now, or if you do not vote in person at the special meeting, the effect will be the same as a vote against the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. For more detailed instructions on how to vote your shares, please refer to the section of this joint proxy statement/prospectus entitled "The VISX Special Meeting" beginning on page 48.

By Order of the Board of Directors,

JOHN F. RUNKEL, JR.

Senior Vice President of Business Development, General Counsel and Secretary

VISX, Incorporated

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following are some questions that you, as a stockholder of AMO or VISX, may have regarding the merger and the other matters being considered at the respective special meetings of AMO and VISX stockholders and brief answers to those questions. AMO and VISX urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at their respective special meetings of stockholders. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: AMO and VISX have agreed to the merger of VISX with a wholly owned subsidiary of AMO under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

In order to complete the merger, AMO stockholders must vote to approve the issuance of shares of AMO common stock in the merger and VISX stockholders must approve and adopt the merger agreement and the merger contemplated by the merger agreement. AMO and VISX will hold separate special meetings of their respective stockholders to obtain these approvals.

This joint proxy statement/prospectus contains important information about the merger, the merger agreement and the special meetings of the respective stockholders of AMO and VISX, which you should read carefully.

Your vote is very important. We encourage you to vote as soon as possible. The enclosed voting materials allow you to vote your shares without attending your respective company's special meeting. For more specific information on how to vote, please see the questions and answers for each of the AMO and VISX stockholders below.

Q: Why are AMO and VISX proposing the merger?

A: AMO and VISX both believe that the merger will provide substantial strategic and financial benefits to the stockholders of both companies because the merger will allow stockholders of both companies the opportunity to participate in a larger, more diversified company. We both also believe that the combination will create a stronger and more competitive provider of ophthalmic medical devices that we believe to be well positioned to create more stockholder value than either AMO or VISX could on its own. VISX is also proposing the merger to provide its stockholders with the opportunity to receive a premium for their shares as well as the opportunity to participate in the growth and opportunities of the combined company and to realize cash for the value of a portion of their shares in the merger. The AMO and VISX boards of directors also considered various negative factors including the incremental debt associated with the merger, the costs and challenges of integrating the businesses of AMO and VISX, and the risk that the potential benefits sought in the merger might not be fully realized. To review the reasons for the merger as well as the negative factors considered by the AMO and VISX boards of directors in greater detail, see *The Merger Recommendation of the AMO Board of Directors* beginning on page 60, *The Merger Recommendation of the VISX Board of Directors* beginning on page 62, *The Merger Reasons for the Merger* beginning on page 64 and *Risks Relating to the Merger* beginning on page 22.

Q: What will happen in the merger?

A: In the merger, Vault Merger Corporation, a wholly owned subsidiary of AMO, will merge with VISX, with VISX surviving as a wholly owned subsidiary of AMO.

Q: What consideration will VISX stockholders receive in the merger?

A: VISX stockholders are expected to receive 0.552 of a share of AMO common stock and \$3.50 in cash for each share of VISX common stock they own at the completion of the merger, but this mixture of AMO

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common stock and cash is subject to adjustment as more fully described below. In this joint proxy statement/prospectus, we refer to the stock and cash consideration to be paid to VISX stockholders by AMO as the merger consideration. Each VISX stockholder will receive cash for any fractional share of AMO common stock that the stockholder would otherwise be entitled to receive in the merger after aggregating all fractional shares to be received by the stockholder.

Q: Under what circumstances would the mix of cash and stock consideration to be received by VISX stockholders in the merger change?

A: As more fully described below, the merger is expected to qualify as a reorganization under the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. If neither counsel to AMO nor counsel to VISX is able to render an opinion at the completion of the merger that the merger qualifies as a reorganization (based on the mix of cash and stock consideration described above in the preceding answer) within the meaning of Section 368(a) of the Internal Revenue Code, then the amount of the cash merger consideration will be reduced and the amount of the stock merger consideration will be increased, in each case to the minimum extent necessary to enable either counsel to render this opinion at the completion of the merger. See Risks Relating to the Merger beginning on page 22.

In the event of any such adjustment, the overall economic value of the merger consideration issuable and payable for each share of VISX common stock in the merger will not change. AMO and VISX will not know, however, whether any such adjustment is necessary until immediately prior to the completion of the merger. As a result, at the time of the VISX special meeting, VISX stockholders will not know the exact number of shares of AMO common stock to be issued and cash to be paid in the merger for each share of VISX common stock.

Q: How will AMO stockholders be affected by the merger and issuance of AMO common stock in the merger?

A: After the merger, AMO stockholders will continue to own their existing shares of AMO common stock. Accordingly, AMO stockholders will hold the same number of shares of AMO common stock that they held immediately prior to the merger. However, because AMO will be issuing new shares of AMO common stock to VISX stockholders in the merger, each outstanding share of AMO common stock immediately prior to the merger will represent a smaller percentage of the total number of shares of AMO common stock outstanding after the merger. Based on the number of shares of AMO and VISX common stock outstanding on November 9, 2004, we expect that AMO stockholders before the merger will hold approximately 58.5% of the fully diluted shares of AMO common stock immediately following the merger.

Q: When do AMO and VISX expect the merger to be completed?

A: AMO and VISX are working to complete the merger as quickly as practicable and currently expect that the merger could be completed in the first quarter of 2005. However, we cannot predict the exact timing of the completion of the merger because it is subject to regulatory approvals and other conditions.

Q: What are the United States federal income tax consequences of the merger?

A: We expect the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. If the merger qualifies as a reorganization, VISX stockholders will generally recognize gain, but not loss, equal to the lesser of:

the amount of cash they receive in the merger; or

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the amount equal to the excess, if any, of (i) the sum of the amount of cash and the fair market value of AMO common stock they receive in the merger, over (ii) the adjusted tax basis of their VISX common stock exchanged.

No gain or loss will be recognized by VISX, AMO or AMO stockholders as a result of the merger.

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Tax matters are complicated, and the tax consequences of the merger to each VISX stockholder will depend on the facts of each stockholder's situation. VISX stockholders are urged to read carefully the discussion in the section entitled "The Merger - Material United States Federal Income Tax Consequences of the Merger" beginning on page 79 and to consult their tax advisors for a full understanding of the tax consequences of their participation in the merger.

Q: What are AMO stockholders voting on?

A: AMO stockholders are voting on a proposal to approve the issuance of shares of AMO common stock in the merger. **The approval of this proposal by AMO stockholders is a condition to the effectiveness of the merger.**

AMO stockholders are also voting on a proposal to approve an amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock from 120,000,000 to 240,000,000. **Approval of this proposal is not a condition to the effectiveness of the merger. However, as long as AMO stockholders approve the amendment to the AMO certificate of incorporation, even if AMO stockholders do not approve the proposal to issue shares of AMO common stock in the merger or any of the other proposals, the amendment to the AMO certificate of incorporation could be implemented.** A copy of the amendment to the AMO certificate of incorporation is attached to this joint proxy statement/prospectus as Annex B.

In addition, AMO stockholders are voting on a proposal to approve the AMO 2005 Incentive Compensation Plan. **Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the AMO 2005 Incentive Compensation Plan but do not approve the proposal to issue shares of AMO common stock in the merger or any of the other proposals, the 2005 Incentive Compensation Plan will not be implemented.** A copy of the AMO 2005 Incentive Compensation Plan is attached to this joint proxy statement/prospectus as Annex C.

AMO stockholders are also voting on a proposal to approve the amendment to the AMO 2002 Employee Stock Purchase Plan. **Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the Amended and Restated AMO 2002 Employee Stock Purchase Plan will not be implemented.** A copy of the Amended and Restated AMO 2002 Employee Stock Purchase Plan is attached to this joint proxy statement/prospectus as Annex D.

Further, AMO stockholders are voting on a proposal to approve the amendment to the AMO 2002 International Stock Purchase Plan. **Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the Amended and Restated AMO 2002 International Stock Purchase Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the Amended and Restated AMO 2002 International Stock Purchase Plan will not be implemented.** A copy of the Amended and Restated AMO 2002 International Stock Purchase Plan is attached to this joint proxy statement/prospectus as Annex E.

AMO stockholders are voting on each proposal separately. Except as described above, the vote of an AMO stockholder on one proposal has no bearing on any of the other proposals, or any other matter that may come before the special meeting.

Q: What vote of AMO stockholders is required to approve the issuance of shares of AMO common stock in the merger?

A:

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Approval of the issuance of shares of AMO common stock in the merger requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal.

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Q: What vote of AMO stockholders is required to approve the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock?

A: The proposal to approve the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock requires the affirmative vote of the holders of a majority of the outstanding shares of AMO common stock entitled to vote at the AMO special meeting.

Q: What vote of AMO stockholders is required to approve the separate proposals to adopt the AMO 2005 Incentive Compensation Plan, the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the Amended and Restated AMO 2002 International Stock Purchase Plan?

A: The separate proposals to approve the adoption of the AMO 2005 Incentive Compensation Plan and the Amended and Restated AMO 2002 Employee Stock Purchase Plan each requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal. The vote of AMO stockholders is not required to approve the Amended and Restated AMO 2002 International Stock Purchase Plan, but as a matter of good corporate governance, AMO is seeking the approval of the affirmative vote of the holders of a majority of shares of AMO common stock cast on this proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal.

Q: How does the AMO board of directors recommend that AMO stockholders vote?

A: The AMO board of directors believes that the merger is advisable to and in the best interests of AMO and its stockholders and unanimously recommends that AMO stockholders vote **FOR** the proposal to approve the issuance of shares of AMO common stock in the merger.

The AMO board of directors also unanimously recommends that AMO stockholders vote **FOR** the proposal to amend the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, **FOR** the proposal to approve the AMO 2005 Incentive Compensation Plan, **FOR** the proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan and **FOR** the proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.

For a more complete description of the recommendations of the AMO board of directors, see **The AMO Special Meeting Recommendation of the AMO Board of Directors** beginning on page 28.

Q: What are VISX stockholders voting on?

A: VISX stockholders are voting on a proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. **The approval of this proposal by VISX stockholders is a condition to the effectiveness of the merger.**

Q: What vote of VISX stockholders is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement?

A: The affirmative vote of the holders of a majority of the outstanding shares of VISX common stock entitled to vote at the VISX special meeting is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

Q: How does the VISX board of directors recommend that VISX stockholders vote?

A: The VISX board of directors unanimously recommends that VISX stockholders vote **FOR** the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. The VISX board of directors has determined that the merger agreement and the merger contemplated by the merger

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agreement are advisable, and fair to and in the best interests of VISX and its stockholders. Accordingly, the VISX board of directors has approved the merger agreement and the merger contemplated by the merger agreement. For a more complete description of the recommendation of the VISX board of directors, see The VISX Special Meeting Recommendation of the VISX Board of Directors beginning on page 48

Q: When and where will the special meetings of stockholders be held?

A: The AMO special meeting will take place at _____, on _____, 2005, at _____ a.m. local time. The VISX special meeting will take place at _____, on _____, 2005, at _____ a.m. local time.

Q: Who can attend and vote at the special meetings?

A: All AMO stockholders of record as of the close of business on _____, _____, the AMO record date, are entitled to receive notice of and to vote at the AMO special meeting. All VISX stockholders of record as of the close of business on _____, _____, the VISX record date, are entitled to receive notice of and to vote at the VISX special meeting. You may cast one vote for each share of your respective company's common stock that you owned on your respective company's record date.

Q: What should I do now in order to vote on the proposals being considered at my company's special meeting?

A: AMO stockholders of record as of the AMO record date (including participants in the AMO Company Stock Fund of the AMO 401(k) Plan), and VISX stockholders of record as of the VISX record date may vote by proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope or by submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. If you hold AMO common stock or VISX common stock in street name, which means your shares are held of record by a broker, bank or nominee, you must complete, sign, date and return the enclosed voting instruction form to the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction form used by your broker, bank or nominee to see if you may submit voting instructions using the Internet or telephone.

Additionally, you may also vote in person by attending your respective company's special meeting. If you plan to attend your respective company's special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, and you wish to vote at your respective company's special meeting, you must bring a proxy from the record holder of the shares authorizing you to vote at the special meeting. Whether or not you plan to attend your company's special meeting, you should submit your proxy card or voting instruction form as described in this joint proxy statement/prospectus.

Q: What will happen if I abstain from voting or fail to vote?

A: An abstention occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting.

An abstention or the failure of an AMO stockholder to vote will have the same effect as voting against the issuance of shares of AMO common stock in the merger, the approval of the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, the approval of the AMO 2005 Incentive Compensation Plan, the approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the approval of the Amended and Restated AMO 2002 International Stock Purchase Plan. The failure of an AMO stockholder to vote or to instruct your broker to vote if your shares are held in street name may have a negative effect on AMO's ability to obtain the number of votes necessary to be cast for approval of the issuance of shares of AMO common stock in the merger in accordance with the listing requirements of the New York Stock Exchange, which is referred to as the NYSE, the approval of the Amended and Restated AMO certificate of incorporation to increase the

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number of authorized shares of AMO common stock, the approval of the AMO 2005 Incentive Compensation Plan, the approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the approval of the amendment to the AMO 2002 International Stock Purchase Plan.

An abstention or the failure of a VISX stockholder to vote or to instruct your broker to vote if your shares are held in street name will have the same effect as voting against the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

delivering a signed written notice of revocation to the Secretary of your respective company;

signing and delivering a new, valid proxy bearing a later date;

submitting another proxy by telephone or on the Internet (your latest telephone or Internet voting instructions will be followed); or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares are held in street name you must contact your broker, bank or other nominee to change your vote.

Q: What should I do if I receive more than one set of voting materials for my company's special meeting?

A: You may receive more than one set of voting materials for your company's special meeting, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction forms. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction form for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction form that you receive.

Q: Am I entitled to appraisal rights?

A: Under Delaware law, holders of VISX common stock have the right to dissent from the merger and obtain payment in cash for the fair value of their shares of common stock, as determined by the Delaware Chancery Court, rather than the merger consideration. The fair value determined by the court could be more than, less than or equal to the value of the merger consideration. To exercise appraisal rights, VISX stockholders must strictly follow the procedures prescribed by Delaware law. These procedures are summarized under the section entitled The Merger Dissenters' or Appraisal Rights beginning on page 82. In addition, the text of the applicable provisions of Delaware General Corporation Law, or the DGCL, is included as Annex F to this joint proxy statement/prospectus. Any VISX stockholder wishing to exercise appraisal rights is urged to consult with legal counsel before attempting to exercise those rights.

Holders of AMO common stock are not entitled to appraisal rights in connection with the issuance of AMO common stock in the merger.

Q: Who can help answer my questions?

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Toll-Free: (800) 322-2885

Collect: (212) 929-5500

Email: proxy@mackenziepartners.com

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SUMMARY

*The following is a summary that highlights information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that may be important to you. For a more complete description of the merger agreement and the merger contemplated by the merger agreement, we encourage you to read carefully this entire joint proxy statement/prospectus, including the attached annexes. In addition, we encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about AMO and VISX that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Additional Information Where You Can Find More Information* beginning on page 139.*

The Companies

Advanced Medical Optics, Inc.

1700 E. St. Andrew Place

Santa Ana, California 92705

(714) 247-8200

AMO is a global leader in the development, manufacturing and marketing of ophthalmic surgical and eye care products. AMO focuses on developing a broad suite of innovative technologies and devices to address a wide range of eye disorders. Products in the ophthalmic surgical line include foldable intraocular lenses, phacoemulsification systems, viscoelastics and related products used in cataract and refractive surgery, and microkeratomes used in LASIK procedures. Products in the contact lens care line include disinfecting solutions, daily cleaners, enzymatic cleaners and lens rewetting drops.

AMO owns or has the rights to such well-known ophthalmic surgical product brands as Phacoflex[®], Clariflex[®], Array[®], Sensar[®], Tecnis[®], CeeOn[®] and Verisyse[®] intraocular lenses, the Sovereign[®] and Sovereign[®] Compact phacoemulsification systems with WhiteStar technology, the Healon[®] family of viscoelastics, the Baerveldt[®] glaucoma shunt and the Amadeus microkeratome. Among the well-known contact lens care product brands the company possesses are COMPLETE[®], COMPLETE[®] Blink-N-Clean[®], COMPLETE[®] Moisture PLUS, Consept[®]F, Consept[®] 1 Step, Oxysept[®] 1 Step, UltraCare[®], Ultrazyme[®], Total Care[®] and blink branded products. Amadeus is a licensed product of, and a trademark of SIS, Ltd.

AMO became an independent company in June 2002 following a spin-off from Allergan, Inc. AMO is based in Santa Ana, California, employs approximately 2,800 people worldwide and has operations in approximately 20 countries and markets products in approximately 60 countries.

VISX, Incorporated

3400 Central Expressway

Santa Clara, California 95051

(408) 773-2020

VISX is a leader in the design and development of proprietary technologies and systems for laser vision correction of refractive vision disorders. Laser vision correction treats refractive vision disorders by removing sub-micron layers of tissue from the surface of the cornea and reshaping the eye, thereby eliminating or reducing a patient's reliance on eyeglasses or contact lenses. VISX products include the VISX STARExcimer Laser System, which is a fully integrated ophthalmic medical device incorporating an excimer laser and a computer-driven workstation; the VISX WaveScan® System, which is a diagnostic device that uses laser beam technology to measure comprehensive refractive errors of the eye and derive comprehensive refractive information about a

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patient's individual optical system; and VISX treatment cards, which provide the user with specific access to proprietary software and are required to operate the VISX STAR Excimer Laser System.

VISX sells products worldwide and generates the majority of its revenues through licensing fees charged for the performance of laser vision correction using the VISX STAR Excimer Laser System. The license fee charged for a particular procedure depends on whether the procedure is performed in the United States or internationally, and the type of procedure involved. VISX has also licensed its technology to other laser system companies and generally receives royalties for the sale of its systems or for procedures that are performed in the United States using its systems.

VISX is a Delaware corporation organized in 1988. VISX is headquartered in Santa Clara, California and employs approximately 350 people on a full-time basis.

The Merger (see page 52)

AMO and VISX have agreed to the acquisition of VISX by AMO under the terms of the merger agreement that is described in this joint proxy statement/prospectus. In the merger, Vault Merger Corporation, a wholly owned subsidiary of AMO, will merge with VISX, with VISX surviving as a wholly owned subsidiary of AMO. We have attached the merger agreement to this joint proxy statement/prospectus as Annex A. We encourage you to carefully read the merger agreement in its entirety because it is the legal document that governs the merger.

Merger Consideration

VISX stockholders are expected to receive 0.552 of a share of AMO common stock and \$3.50 in cash for each share of VISX common stock they own at the completion of the merger, but this mixture of AMO common stock and cash is subject to adjustment as more fully described below. The merger is expected to qualify as a reorganization under the Internal Revenue Code. If neither counsel to AMO nor counsel to VISX is able to render an opinion at the completion of the merger that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, based on the negotiated mixture of cash and stock consideration, then the amount of the cash merger consideration will be reduced and the amount of the stock merger consideration will be increased, in each case to the minimum extent necessary, to enable either counsel to render this opinion at the completion of the merger. In the event of any such adjustment, the overall economic value of the merger consideration issuable and payable for each share of VISX common stock in the merger will not change. See *Risks Relating to the Merger* beginning on page 22.

For a full description of the merger consideration, see *The Merger Agreement Treatment of Securities* beginning on page 91.

Fractional Shares

AMO will not issue fractional shares of AMO common stock in the merger. As a result, each VISX stockholder will receive cash for any fractional share of AMO common stock the stockholder would otherwise be entitled to receive in the merger after aggregating all fractional shares to be received by the stockholder.

For a full description of the treatment of fractional shares, see *The Merger Agreement Fractional Shares* beginning on page 92.

Treatment of VISX Stock Options, Deferred Phantom Stock and ESPP

Each outstanding option to purchase VISX common stock that has an exercise price equal to or less than \$26.93 will be converted at the effective time of the merger into an option to acquire AMO common stock and

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will become fully vested and immediately exercisable and assumed by AMO. Each VISX stock option that has an exercise price in excess of \$26.93 will become fully vested and immediately exercisable upon the receipt of notice that if the option is not exercised within 15 days (30 days for options granted under VISX's 1995 Director Option and Stock Deferral Plan), the option will expire and be of no further force or effect. Each outstanding deferral account under VISX's 1995 Director Option and Stock Deferral Plan with respect to phantom units of VISX common stock will be assumed and converted at the effective time of the merger into a deferral account with respect to phantom units of AMO common stock.

Each outstanding purchase right under the 1993 VISX Employee Stock Purchase Plan will be automatically exercised prior to the effective time of the merger and each share of VISX common stock purchased under those exercised rights will be cancelled and converted into the right to receive 0.552 of a share of AMO common stock and \$3.50 in cash, subject to adjustment in the event that the mixture of AMO common stock to be issued and cash to be paid in the merger for each share of VISX common stock is adjusted as more fully described beginning on page 94.

For a full description of the treatment of VISX equity awards, see *The Merger Agreement - Treatment of VISX Stock Options, Deferred Phantom Stock and ESPP* beginning on page 92.

AMO Board of Directors after the Merger (see page 102)

Upon completion of the merger, the AMO board of directors will be increased by one member. The directors of AMO prior to the completion of the merger will continue to serve as the directors of AMO after the merger and the vacancy created by the increase in the size of AMO board of directors will be filled by the appointment of Elizabeth H. Dávila, Chairman and Chief Executive Officer of VISX.

Ownership of AMO after the Merger

Based on the number of shares of AMO and VISX common stock outstanding on November 9, 2004, VISX stockholders will hold approximately 41.5% of the fully diluted shares of AMO common stock immediately after the merger and will receive an aggregate of approximately \$184 million in cash. In addition, the amount of AMO common stock issuable for each share of VISX common stock may be increased, and the amount of cash payable for each share of VISX common stock may be decreased. In the event of any such adjustment, VISX stockholders as a whole will hold a larger percentage of the fully diluted AMO common stock immediately after giving effect to the merger.

For a full description of the possible adjustment, see *The Merger - Alternative Merger Consideration* beginning on page 94.

Opinions of Financial Advisors (see pages 65 and 71)

AMO

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On November 9, 2004, Morgan Stanley & Co. Incorporated, or Morgan Stanley, financial advisor to AMO, delivered to the AMO board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion dated November 9, 2004, that, as of that date, the merger consideration to be paid by AMO pursuant to the merger agreement was fair from a financial point of view to AMO. The full text of Morgan Stanley's written opinion is attached to this joint proxy statement/prospectus as Annex G. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. Morgan Stanley's opinion is directed to the AMO board of directors and addresses only the fairness from a financial point of view of the merger consideration to be paid by AMO pursuant to the merger agreement as of the date of the opinion. Morgan Stanley's opinion does not

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constitute a recommendation to any AMO stockholder as to how such stockholder should vote with respect to the proposed transaction. Pursuant to an engagement letter between AMO and Morgan Stanley, AMO has agreed to pay Morgan Stanley a transaction fee equal to the lesser of 0.75% of the aggregate value of the transaction or \$11.5 million, \$2 million of which was payable upon the announcement of the transaction.

VISX

On November 9, 2004, Goldman, Sachs & Co., or Goldman Sachs, financial advisor to VISX, delivered its opinion to the VISX board of directors that, as of the date of the written fairness opinion and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be received by holders of VISX common stock pursuant to the merger agreement, taken in the aggregate, is fair from a financial point of view to the VISX stockholders.

The full text of the written opinion of Goldman Sachs, dated November 9, 2004, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex H. Goldman Sachs provided its opinion for the information and assistance of the VISX board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of VISX common stock should vote with respect to the merger. Pursuant to an engagement letter between VISX and Goldman Sachs, VISX has agreed to pay Goldman Sachs a transaction fee equal to the greater of \$10 million or 0.75% of the aggregate consideration paid to VISX stockholders in connection with the transaction, all of which is payable upon consummation of the transaction.

Share Ownership of Directors and Executive Officers

At the close of business on the AMO record date, directors and executive officers of AMO and their affiliates beneficially owned and were entitled to vote approximately _____ shares of AMO common stock, collectively representing approximately _____ % of the shares of AMO common stock outstanding on that date.

At the close of business on the VISX record date, directors and executive officers of VISX and their affiliates beneficially owned and were entitled to vote approximately _____ shares of VISX common stock, collectively representing _____ % of the shares of VISX common stock outstanding on that date.

Interests of Directors and Executive Officers of VISX in the Merger (see page 86)

In considering the recommendation of the VISX board of directors with respect to the merger agreement and the merger contemplated by the merger agreement, you should be aware that members of the VISX board of directors and VISX executive officers have interests in the merger contemplated by the merger agreement that may be different than, or in addition to, the interests of VISX stockholders, generally. These interests include:

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the continued indemnification of, and provision of directors and officers insurance coverage to, current directors and officers of VISX following the merger;

the appointment of Elizabeth H. Dávila, currently the Chairman and Chief Executive Officer of VISX, to the AMO board of directors upon completion of the merger;

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the potential receipt of severance payments, payable to the following executive officers in the following respective amounts if he or she were to be terminated without cause or were to resign pursuant to an involuntary termination at any time within the 24-month period following the completion of the merger:

<u>Name and Title</u>	<u>Total Severance Payment</u>
Elizabeth H. Dávila Chairman of the Board and Chief Executive Officer	\$ 2,662,878.06
Douglas H. Post President and Chief Operation Officer	\$ 2,874,855.15
John F. Runkel, Jr. Senior Vice President of Business Development and General Counsel	\$ 2,092,245.39
Derek A. Bertocci Senior Vice President and Chief Financial Officer	\$ 1,911,805.45
Carol F. H. Harner Senior Vice President, Research and Development	\$ 1,266,107.66
Donald L. Fagen Vice President, Global Sales	\$ 1,011,263.83
Alan F. Russell Vice President of Regulatory & Clinical Affairs	\$ 1,575,251.77
Joaquin V. Wolff Vice President, Global Marketing	\$ 990,867.12
Catherine E. Murphy Vice President, Human Resources	\$ 1,476,537.52
Theresa A. Johnson Vice President, Operations	\$ 1,507,972.92

and

the accelerated vesting of officers and directors outstanding stock options and phantom units of VISX common stock, as a result of which the following directors and executive officers will hold fully vested options and phantom units as set forth below, assuming the value of the merger consideration paid in the merger in respect of each share of VISX common stock is \$26.52:

<u>Non-Employee Directors</u>	Aggregate Shares Subject to Outstanding	Aggregate Shares Subject to Unvested	Weighted Average Exercise Price of	Value of All Options**	Phantom Units	Unvested Phantom Units
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	<u>Options*</u>	<u>Options</u>	<u>All Options</u>			
Laureen De Buono	50,000	27,188	\$ 12.25	\$ 713,600.00	1,537	328
Glendon E. French	54,000	3,000	\$ 23.51	\$ 423,777.50	880	
John W. Galiardo	104,612	3,986	\$ 16.89	\$ 1,269,116.36		
Jay T. Holmes	123,000	3,000	\$ 26.35	\$ 1,067,815.00	3,074	656
Gary S. Petersmeyer	39,043	13,125	\$ 16.67	\$ 384,481.47	1,537	328
Richard B. Sayford	60,000	3,000	\$ 21.73	\$ 548,585.00	880	

* Each aggregate share amount includes an option grant exercisable for 10,000 shares (11,972 solely in the case of Mr. Galiardo). These grants were made on May 13, 2004 in connection with the planned annual increase for members of the VISX board of directors.

** Illustrates the economic value of all options held by each non-employee director assuming the acceleration of all such options in the merger and the exercise of all options with exercise prices below \$26.52, or in-the-money options, immediately upon completion of the merger. Calculated for each non-employee director by multiplying the shares subject to in-the-money options

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by the difference between the value of the merger consideration as of November 9, 2004 (\$26.52) and the exercise price of such in-the-money options.

Executive Officers and Employee Director	Aggregate Shares Subject to Outstanding Options	Aggregate Shares Subject to Unvested Options	Weighted Average Exercise Price of All Options	Value of All Options*
Elizabeth H. Dávila	1,900,108	466,668	\$ 17.26	\$ 18,318,889.07
Chairman of the Board and Chief Executive Officer				
Douglas H. Post	471,959	232,713	\$ 18.97	\$ 3,723,547.93
President and Chief Operating Officer				
John F. Runkel, Jr.	128,000**	108,126	\$ 16.41	\$ 1,294,692.27
Senior Vice President of Business Development and General Counsel				
Derek A. Bertocci	335,821	103,128	\$ 17.90	\$ 2,895,083.50
Senior Vice President and Chief Financial Officer				
Carol F.H. Harner	205,681	84,752	\$ 21.01	\$ 1,317,430.52
Senior Vice President, Research and Development				
Donald L. Fagen	104,500	68,751	\$ 15.09	\$ 1,194,677.50
Vice President, Global Sales				
Alan F. Russell	142,500	71,877	\$ 16.67	\$ 1,403,988.75
Vice President of Regulatory & Clinical Affairs				
Joaquin V. Wolff	98,440	44,898	\$ 16.16	\$ 1,060,263.31
Vice President, Global Marketing				
Catherine E. Murphy	103,000	71,251	\$ 14.43	\$ 1,245,076.25
Vice President, Human Resources				
Theresa A. Johnson	132,000	62,459	\$ 21.83	\$ 971,885.84
Vice President, Operations				

* Illustrates the economic value of all options held by each executive officer assuming the acceleration of all such options in the merger and the exercise of all options with exercise prices below \$26.52, or in-the-money options, immediately upon completion of the merger. Calculated for each executive officer by multiplying the shares subject to in-the-money options by the difference between the value of the merger consideration as of November 9, 2004 (\$26.52) and the exercise price of such in-the-money options.

** Includes options exercisable for 35,000 shares issued to Mr. Runkel on August 19, 2004 in connection with his promotion to senior vice president of business development.

The VISX board of directors was aware of these interests and considered them, among other matters, in making its recommendation.

Listing of AMO Common Stock and Delisting and Deregistration of VISX Common Stock (see page 86)

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Application will be made to have the shares of AMO common stock issued in the merger approved for listing on the NYSE. If the merger is completed, VISX common stock will no longer be listed on the NYSE and will be deregistered under the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, and VISX will no longer file periodic reports with the SEC.

Merely voting against the merger will not preserve the right of VISX stockholders to appraisal under the DGCL. Also, because a submitted proxy not marked `against` or `abstain` will be voted `FOR` the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, the submission of a proxy not marked `against` or `abstain` will result in the waiver of appraisal rights. VISX stockholders who hold shares in the name of a broker or other nominee must instruct their nominee to take the steps necessary to enable them to demand appraisal of their shares.

Annex F to this joint proxy statement/prospectus contains the full text of Section 262 of the DGCL, which relates to the rights of appraisal. We encourage you to read these provisions carefully and in their entirety.

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Conditions to Completion of the Merger (see page 103)

A number of conditions must be satisfied before the merger will be completed. These include among others:

the receipt of the approval of the issuance of shares of AMO common stock in the merger by AMO stockholders, and the approval and adoption of the merger agreement and the merger contemplated by the merger agreement by VISX stockholders;

the expiration or termination of the waiting period, or any extension of the waiting period, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, and receipt of all clearances, consents and approvals necessary for completion of the merger under United States and foreign antitrust laws;

the absence of any legal restraints or prohibitions preventing the completion of the merger;

the authorization for listing on the NYSE of the shares of AMO common stock to be issued in the merger;

the delivery of tax opinions of legal counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

the representations and warranties of each party contained in the merger agreement being true and correct, except to the extent that breaches of these representations and warranties would not result in a material adverse effect on the representing party;

the performance or compliance in all material respects of each party with all agreements and covenants contained in the merger agreement at the completion of the merger; and

the absence of events or developments since the date of the merger agreement that would reasonably be expected to have a material adverse effect with respect to either party.

Each of AMO, Vault Merger Corporation and VISX may waive the conditions to the performance of its respective obligations under the merger agreement and complete the merger even though one or more of these conditions has not been met. Neither AMO nor VISX can give any assurance that all of the conditions to the merger will be either satisfied or waived or that the merger will occur.

Financing (see page 108)

AMO has obtained commitments from Morgan Stanley Senior Funding, Inc. and Bank of America, N.A. to provide financing in connection with the merger under AMO's existing senior secured credit facilities for revolving credit loans and/or term loans in an aggregate amount of \$200 million, or a new senior secured credit facility in an aggregate amount of \$500 million. Borrowings under the facilities are subject to the execution of definitive agreements and are expected to be collateralized by substantially all the assets of AMO and its domestic subsidiaries.

Regulatory Matters (see page 81)

The merger is subject to antitrust laws. AMO and VISX have made all required filings under applicable antitrust laws with the Antitrust Division of the United States Department of Justice, referred to as the Antitrust Division, and the United States Federal Trade Commission, referred to as the FTC, and other foreign governmental authorities. AMO and VISX are not permitted to complete the merger until the applicable waiting periods associated with those filings, including any extension of those waiting periods, have expired or been terminated and applicable regulatory clearances have been obtained. AMO and VISX are also required to make, and have made, applicable foreign antitrust filings and may not complete the merger until all foreign antitrust

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clearances, consents or approvals necessary for the completion of the merger have been obtained. Under the terms of the merger agreement, AMO is not required to sell, dispose of or hold separately any assets or businesses or interests in any assets or businesses of AMO, VISX or their respective affiliates, or make any other change in any portion of the businesses of VISX or AMO or incur any limitation on the conduct of the business of VISX or AMO in order to obtain any clearances, consents or approvals in connection with the merger.

Agreement to Complete the Merger (see page 102)

Each of AMO and VISX has agreed to cooperate fully with the other party and, subject to provisions in the merger agreement discussed above under Regulatory Matters, use its reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable under applicable law and regulations to complete the merger as promptly as practicable, but in no event later than June 30, 2005.

No Solicitation (see page 98)

The merger agreement contains detailed provisions that prohibit AMO and VISX and the subsidiaries of each of them, and their officers, directors and representatives from taking any action to solicit or engage in discussions or negotiations with any person or group with respect to an acquisition proposal as defined in the merger agreement, including an acquisition that would result in the person or group acquiring more than a 25% interest in the party's total outstanding securities, a sale of more than 25% of the party's assets or a merger or other business combination. The merger agreement does not, however, prohibit either party or its board of directors from considering and recommending to the party's stockholders an unsolicited acquisition proposal from a third party if specified conditions are met.

Termination of the Merger Agreement (see page 105)

Under circumstances specified in the merger agreement, either AMO or VISX may terminate the merger agreement. Subject to the limitations set forth in the merger agreement, the circumstances generally include if:

the merger is not completed by June 30, 2005;

a non-appealable final order of a court or other action of any governmental authority has the effect of permanently prohibiting completion of the merger;

the required approval of the stockholders of each of AMO and VISX has not been obtained at its special meeting;

the other party breaches its representations, warranties or covenants in the merger agreement such that its conditions to completion of the merger regarding representations, warranties or covenants would not be satisfied;

the other party has not complied with the provisions of the merger agreement relating to non-solicitation and board recommendations;

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if there is an increase in the stock portion of the merger consideration that would cause the total number of shares of AMO common stock to be issued by AMO in connection with the merger to constitute more than 44.9% of the outstanding shares of AMO common stock following the merger; or

the other party consents to termination.

Break-up Fees (see page 105)

If the merger is not completed under certain circumstances specified in the merger agreement, AMO or VISX may be required to pay the other expenses in the amount of \$8 million or a break-up fee of \$45 million.

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Material United States Federal Income Tax Consequences of the Merger (see page 79)

AMO and VISX expect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and it is a condition to closing that each of AMO and VISX receive opinions from legal counsel to the effect that the merger will so qualify. If the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, then, in general, no gain or loss will be recognized for United States federal income tax purposes by VISX, AMO, or AMO stockholders. VISX stockholders will generally recognize gain, but not loss, equal to the lesser of:

the amount of cash they receive in the merger; or

the amount equal to the excess, if any, of (i) the sum of the amount of cash and the fair market value of AMO common stock they receive in the merger, over (ii) the adjusted tax basis of their VISX common stock exchanged.

Under certain circumstances, the merger agreement requires AMO and VISX to reduce the amount of the cash to be received by VISX stockholders in the merger to the minimum extent necessary, and increase the amount of stock to be received by VISX stockholders in the merger to the minimum extent necessary, to enable legal counsel to render their respective opinion or opinions, as the case may be, that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. AMO and VISX will not know whether any such adjustment is necessary until immediately prior to the completion of the merger because any determination regarding the tax qualification of the merger as a reorganization cannot be made until the date upon which AMO and VISX intend to complete the merger.

Tax matters are complicated, and the tax consequences of the merger to each VISX stockholder will depend on the facts of each stockholder's situation. VISX stockholders are urged to read carefully the discussion in the section entitled "The Merger Material United States Federal Income Tax Consequences" and to consult their tax advisors for a full understanding of the tax consequences of their participation in the merger.

Accounting Treatment (see page 81)

AMO will account for the merger as a business combination under United States generally accepted accounting principles.

Risks Relating to the Merger (see page 22)

In evaluating the merger agreement and the merger, in the case of VISX stockholders, or the issuance of shares of AMO common stock in the merger, in the case of AMO stockholders, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risks Relating to the Merger".

Legal Proceedings Regarding the Merger (see page 90)

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As of the date of this joint proxy statement/prospectus, VISX and AMO are aware of two purported class action lawsuits that have been filed against VISX and its board of directors in connection with the merger. Among other things, the lawsuits seek to prevent the closing of the merger. While it is not feasible to predict or determine with certainty the final outcome of these lawsuits, we believe these lawsuits are without merit, and are not likely to give rise to any liability that would materially affect VISX's financial condition or results of operations. VISX intends to contest the lawsuits vigorously.

Table of Contents**Material Differences in Rights of AMO Stockholders and VISX Stockholders (see page 123)**

VISX stockholders receiving merger consideration in the form of shares of AMO common stock will have different rights once they become AMO stockholders due to differences between the governing documents of AMO and VISX. These differences are described in detail under Comparison of Stockholder Rights and Corporate Governance Matters beginning on page 123.

Summary Selected Historical Financial Data

AMO and VISX are providing the following information to aid you in your analysis of the financial aspects of the merger.

AMO

The selected consolidated financial data below as of and for each of the years in the five-year period ended December 31, 2003 has been derived from AMO's audited consolidated financial statements as of December 31, 2003, 2002, 2001 and 2000 and for the years ended December 31, 2003, 2002, 2001, 2000 and 1999 and from AMO's unaudited consolidated financial statement as of December 31, 1999, except for the financial data for the nine months ended September 24, 2003 and 2004, which is derived from AMO unaudited condensed consolidated financial statements. The unaudited results reflect all the adjustments (consisting only of normal recurring adjustments) that AMO management considers necessary for a fair statement of operating results. The information is only a summary and should be read in conjunction with AMO consolidated financial statements, accompanying notes and management's discussion and analysis of results of operations and financial condition, all of which can be found in publicly available documents, including those incorporated by reference into this joint proxy statement/prospectus. See Additional Information Where You Can Find More Information beginning on page 139.

	Nine Months Ended								
	September 24,		September 26,		Year Ended December 31,				
	Pro Forma for Pfizer Acquisition		Pro Forma for Pfizer Acquisition		2003(1)(3)		2003(3)		1999
2004(1)	2004(2)	2003(3)	2003(1)(3)	2003(3)	2002(3)	2001	2000	1999	
(in thousands, except per share amounts)									
Statement of Operations:									
Net sales	\$ 592,291	\$ 517,414	\$ 434,464	\$ 748,433	\$ 601,453	\$ 538,087	\$ 543,095	\$ 570,573	\$ 577,644
Cost of sales	221,392	212,577	163,763	299,370	227,811	204,338	212,090	231,426	236,002
Gross profit	370,899	304,837	270,701	449,063	373,642	333,749	331,005	339,147	341,642
Selling, general and administrative	265,204	236,620	205,106	334,615	276,695	235,977	222,885	241,047	255,666
Research and development	32,467	31,043	26,996	40,201	37,413	29,917	28,990	29,878	27,765
In-process research and development		28,100							
Restructuring/impairment (reversal)								(2,237)	(6,527)
Operating income	73,228	9,074	38,599	74,247	59,534	67,855	79,130	70,459	64,738
Interest expense	23,832	19,327	20,442	36,359	24,224	13,764	3,302	3,625	6,500

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Loss (gain) on investments, net						3,935	793	(231)	
Unrealized loss (gain) on derivative instruments	(830)	(830)	(59)	246	246	3,199	(1,294)		
Other, net	1,775	127,977	17,161	17,802	17,802	2,385	385	(1,135)	441
Earnings (loss) before income taxes	48,451	(137,400)	1,055	19,840	17,262	44,572	75,944	68,200	57,797
Provision for income taxes	16,958	2,103	443	7,936	6,905	18,662	20,594	19,020	13,347

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	Nine Months Ended								
	September 24,		September 26,	Year Ended December 31,					
	Pro Forma for Pfizer Acquisition			Pro Forma for Pfizer Acquisition					
	2004(1)	2004(2)	2003(3)	2003(1)(3)	2003(3)	2002(3)	2001	2000	1999
	(in thousands, except per share amounts)								
Earnings (loss) before cumulative effect of change in accounting principle	31,493	(139,503)	612	11,904	10,357	25,910	55,350	49,180	44,450
Cumulative effect of change in accounting principle, net of \$160 of tax							(391)		
Net earnings	\$ 31,493	\$ (139,503)	\$ 612	\$ 11,904	\$ 10,357	\$ 25,910	\$ 54,959	\$ 49,180	\$ 44,450
Basic earnings (loss) per share	\$ 0.81	\$ (4.36)	\$ 0.02	\$ 0.33	\$ 0.36				
Diluted earnings (loss) per share	\$ 0.77	\$ (4.36)	\$ 0.02	\$ 0.33	\$ 0.35				

- Pro forma results have been adjusted to give pro forma effect to the acquisition of Pfizer's surgical ophthalmic business as if that transaction had occurred on January 1, 2003.
- Results include incremental cost of sales of \$14.1 million from the sale of acquired inventory adjusted to fair value, a \$28.1 million in-process research and development charge, and \$131.4 million in charges associated with the early extinguishment of debt. Such costs and charges have been excluded from the pro forma results related to the acquisition of Pfizer's surgical ophthalmic business.
- Other, net includes early debt extinguishment costs of \$3.5 million incurred in connection with AMO's spin-off from Allergan, Inc. in 2002 and, in 2003, the impact of a non-recurring charge of \$16.8 million, consisting of the aggregate premium of \$19.4 million paid in connection with the July 2003 modified dutch auction tender offer for, and the subsequent repurchase in September 2003 of, AMO's 9% senior subordinated notes and a foreign currency gain of \$2.6 million resulting from the settlement of certain intercompany amounts and related transfer of cash utilized to repurchase the 9 1/4% senior subordinated notes in the modified dutch auction tender offer and for the prepayment of the AMO term loan during 2003.

	At	At December 31,				
	September 24,	2003	2002	2001	2000	1999
	2004					
Balance Sheet Data:						
Cash and cash equivalents	\$ 34,098	\$ 46,104	\$ 80,578	\$ 6,957	\$ 12,641	\$ 2,250
Current assets	341,604	252,492	274,494	210,552	228,942	234,538
Total assets	981,261	461,345	463,206	377,466	404,655	436,532
Current liabilities	167,753	115,301	108,204	85,551	87,165	113,177
Long term debt, net of current portion	566,392	233,611	277,559	75,809	100,364	83,232

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VISX

VISX has derived the following historical information from VISX audited consolidated financial statements for each of the five years ended December 31, 1999 through 2003 contained in VISX's annual reports on Form 10-K for the years ended December 31, 2001, 2002 and 2003, except for the financial data for the nine months ended September 30, 2003 and 2004, which is derived from VISX's unaudited condensed consolidated financial statements. The unaudited results reflect all the adjustments (consisting only of normal recurring adjustments) that VISX's management considers necessary for a fair statement of operating results. The information is only a summary and should be read in conjunction with VISX's consolidated financial statements and accompanying notes, as well as management's discussion and analysis of results of operations and financial condition, all of which can be found in publicly available documents, including those incorporated by reference into this joint proxy statement/prospectus. See "Additional Information Where You Can Find More Information" beginning on page 139.

	Nine Months Ended						
	September 30,		Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(in thousands, except share and per share amounts)							
Statement Of Operations Data:							
Total revenues	\$ 125,452	\$ 105,687	\$ 143,905	\$ 139,926	\$ 165,016	\$ 190,154	\$ 268,691
Cost of revenues	30,856	40,549	52,070	50,805	58,440	62,684	57,513
Total costs and expenses	76,617	85,044	109,300	112,056	119,844	134,162	126,593
Income from operations	48,835	20,643	34,605	27,870	45,172	55,992	142,098
Litigation settlement				9,000	37,821	11,856	
Net income	32,592	14,439	23,251	15,342	10,909	35,221	91,768
Earnings per share:							
Basic	\$ 0.66	\$ 0.29	\$ 0.47	\$ 0.29	\$ 0.19	\$ 0.57	\$ 1.45
Diluted	\$ 0.64	\$ 0.28	\$ 0.46	\$ 0.29	\$ 0.19	\$ 0.55	\$ 1.35
Shares used for earnings per share:							
Basic	49,066	49,816	49,471	53,096	56,660	61,431	63,474
Diluted	50,739	50,995	50,937	53,816	58,081	63,778	68,119

	At December 31,					
	At September 30,					
	2004	2003	2002	2001	2000	1999
Balance Sheet Data:						
Cash, cash equivalents and short-term investments	\$ 121,046	\$ 86,076	\$ 122,955	\$ 123,807	\$ 229,453	\$ 258,359
Working capital	149,535	107,040	140,173	159,935	245,662	303,546
Total assets	210,321	163,963	200,592	219,925	321,507	362,721
Retained earnings	214,510	181,918	158,667	143,325	132,416	97,195
Stockholders' equity	166,781	125,799	155,190	176,278	268,772	316,793

Table of Contents**Selected Unaudited Pro Forma Condensed Combined Financial Data**

The following selected unaudited pro forma condensed combined financial data for the year ended December 31, 2003 and the nine months ended September 24, 2004 gives effect to the merger and AMO's acquisition of Pfizer's surgical ophthalmic business as if each had occurred on January 1, 2003. The selected unaudited pro forma condensed combined financial data as of September 24, 2004 gives effect to the merger as if it had occurred on September 24, 2004. The pro forma adjustments are based upon available information and assumptions that AMO's management believes are reasonable. The selected unaudited pro forma condensed combined financial data are presented for illustrative purposes only. The companies may have performed differently had they always been combined. Stockholders should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

The pro forma adjustments are based upon available information and certain assumptions that AMO believes are reasonable under the circumstances. A final determination of fair values relating to the merger, which cannot be made prior to the completion of the merger, may differ materially from the preliminary estimates and will include management's final valuation of the fair value of assets acquired and liabilities assumed. This final valuation will be based on the actual net tangible assets of VISX that exist as of the date of the completion of the merger. The final valuation may change the allocations of the purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma condensed combined financial statements data. These adjustments are more fully described in the notes to the unaudited pro forma condensed combined financial statements under the heading "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 110.

The selected unaudited pro forma condensed combined financial data (i) have been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 110, and (ii) should be read in conjunction with the consolidated financial statements of AMO and VISX and other information filed by AMO and VISX with the SEC and incorporated by reference into this joint proxy statement/prospectus. See "Additional Information Where You Can Find More Information" beginning on page 139.

	Nine Months Ended September 24, 2004	Year Ended December 31, 2003
	(in thousands, except	
	per share amounts)	
Income Statement Data:		
Net sales	\$ 717,743	\$ 892,338
Operating income	99,693	79,026
Net earnings	44,804	10,939
Net earnings per share		
Basic	\$ 0.68	\$ 0.17
Diluted	\$ 0.65	\$ 0.17

At
September 24,
2004

(in thousands)

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Balance Sheet Data:

Total assets	\$ 2,134,388
Total debt, including current portion	768,442
Stockholders' equity	927,952

Table of Contents**Comparative Per Share Information**

The following tables set forth historical per share information of AMO and VISX and unaudited pro forma condensed combined per share information after giving effect to the merger under the purchase method of accounting, based on an average price per share of AMO common stock of \$40.90. The unaudited pro forma combined financial data are not necessarily indicative of the financial position had the merger occurred on September 24, 2004, or operating results that would have been achieved had the merger been in effect as of January 1, 2003 and should not be construed as representative of future financial position or operating results. The unaudited pro forma condensed combined per share information is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 110. The historical per share information is derived from the audited financial statements as of and for the year ended December 31, 2003 for each of AMO and VISX, except for the financial data for the nine months ended September 24, 2004, which is derived from AMO's and VISX's unaudited financial statements.

	AMO				Pro Forma
	Historical	As Adjusted	Historical	Pro Forma	Equivalent
	AMO	for Pfizer(1)	VISX	Combined	of One VISX Share(2)
Net earnings (loss) per share-basic:					
Year ended December 31, 2003	\$ 0.36	\$ 0.33	\$ 0.47	\$ 0.17	\$ 0.09
Nine months ended September 24, 2004	(4.36)	0.81	0.66	0.68	0.38
Net earnings (loss) per share-diluted:					
Year ended December 31, 2003	\$ 0.35	\$ 0.33	\$ 0.46	\$ 0.17	\$ 0.09
Nine months ended September 24, 2004	(4.36)	0.77	0.64	0.65	0.36
Book value per share:					
December 31, 2003	\$ 3.17		\$ 2.58	NA	NA
September 24, 2004	5.29		3.36	\$ 14.46	\$ 7.98
Cash dividends declared per share					
Outstanding shares (in millions)					
December 31, 2003	29.4		48.7	NA	
September 24, 2004	36.6		49.6	64.2	

- (1) Pro forma results to reflect the impact of the acquisition of Pfizer's surgical ophthalmic business as if that transaction, which was consummated on June 26, 2004, had occurred on January 1, 2003 and exclude certain non-recurring costs and charges related to the acquisition.
- (2) The Pro Forma Equivalent of One VISX Share amounts were calculated by applying the exchange ratio of 0.552 to the pro forma combined net earnings and book value per share. The exchange ratio does not include the \$3.50 per share cash consideration.

This information is only a summary and should be read in conjunction with the financial statements and accompanying notes of AMO and VISX contained in the annual reports and other information that has been filed with the SEC and incorporated by reference into this joint proxy statement/prospectus and with the unaudited pro forma condensed combined financial statements referred to above. See Additional Information Where You Can Find More Information beginning on page 139.

Comparative Per Share Market Price Data

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AMO common stock trades on the NYSE under the symbol AVO. VISX common stock trades on the NYSE under the symbol EYE. The following table sets forth the closing prices for AMO common stock and VISX common stock as reported on the NYSE on November 8, 2004, the last trading day before AMO and VISX

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announced the merger, and January 7, 2005, the last trading day before the date of this joint proxy statement/prospectus. These historical and pro forma equivalent sales prices per share reflect the fluctuating value of the AMO common stock that VISX stockholders would receive in exchange for each share of VISX common stock if the merger was completed on either of these dates, applying the exchange ratio of 0.552 of a share of AMO common stock plus \$3.50 in cash for each share of VISX common stock.

	AMO	VISX	Pro Forma Equivalent Value
	<u>Common Stock</u>	<u>Common Stock</u>	<u>of VISX Common Stock</u>
November 8, 2004	\$ 41.70	\$ 16.91	\$ 26.52
January 7, 2005	39.60	25.03	25.36

The above tables show only historical comparisons. These comparisons may not provide meaningful information to AMO stockholders in determining whether to approve the issuance of shares of AMO common stock in connection with the merger or to VISX stockholders in determining whether to approve and adopt the merger agreement and approve the merger contemplated by the merger agreement. AMO and VISX stockholders are urged to obtain current market quotations for AMO and VISX common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus, when considering whether to approve the issuance of shares of AMO common stock in connection with the merger, in the case of AMO stockholders, or to approve and adopt the merger agreement and approve the merger contemplated by the merger agreement, in the case of VISX stockholders. See [Additional Information Where You Can Find More Information](#) beginning on page 139.

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RISKS RELATING TO THE MERGER

In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed in Cautionary Statement Concerning Forward-Looking Statements, you should carefully consider the following risks before deciding whether to vote for approval and adoption of the merger agreement and the merger contemplated by the merger agreement, in the case of VISX stockholders, or for approval of the issuance of shares of AMO common stock in the merger, in the case of AMO stockholders. We believe that the risks described below represent all the material risks relating to the merger. However, you should read and consider the risks associated with each of the businesses of AMO and VISX because these risks will also affect the combined company. These risks can be found respectively in the AMO and VISX Annual Reports on Form 10-K for the year ended December 31, 2003, which reports are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus.

The issuance of shares of AMO common stock to VISX stockholders in the merger will substantially reduce the percentage interests of AMO stockholders.

If the merger is completed, we expect that approximately million shares of AMO common stock will be issued to VISX stockholders and, upon exercise of assumed options, up to million shares will be issued to holders of assumed options. Based on the number of shares of AMO and VISX common stock outstanding on November 9, 2004, VISX stockholders before the merger will own, in the aggregate, approximately 41.5% of the fully diluted shares of AMO common stock immediately after the merger. The issuance of approximately up to million shares of AMO common stock to VISX stockholders and holders of assumed options will cause a significant reduction in the relative percentage interest of current AMO stockholders in earnings, voting, liquidation value and book and market value. In addition, under certain circumstances described more fully in the following risk factor, the amount of AMO common stock issuable for each share of VISX common stock may be increased, and the amount of cash payable for each share of VISX common stock may be decreased. In the event of any such adjustment, VISX stockholders as a whole will hold a larger percentage of the fully diluted AMO common stock immediately after giving effect to the merger.

The merger consideration may be adjusted in order to qualify the merger as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

We intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. However, if neither Skadden, Arps, Slate, Meagher & Flom LLP, counsel to AMO, nor Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel to VISX, is able to render an opinion at the completion of the merger that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, based on the negotiated mix of cash and stock consideration, then the amount of the cash merger consideration will be reduced and the amount of the stock merger consideration will be increased, in each case to the minimum extent necessary to enable either counsel to render this opinion at the completion of the merger. As a result of this adjustment of the merger consideration, VISX stockholders could receive a different mix of cash and AMO common stock for each share of VISX common stock than is currently anticipated.

The price of AMO common stock may decline, which would decrease the value of the stock portion of the merger consideration to be received by VISX stockholders in the merger and may prevent the completion of the merger.

The price of AMO common stock might decline from the \$41.70 price per share at the close of trading on November 8, 2004, the last full trading day prior to the public announcement of the proposed merger. Accordingly, if the price of AMO common stock declines prior to the completion of the merger, the value of the stock portion of the merger consideration to be received by VISX stockholders in the merger will decrease as

compared to the value on the date the merger was announced. See The Merger Agreement Treatment of

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Securities beginning on page 91. If on the closing date of the merger AMO common stock is trading below the price at which AMO's and VISX's counsel is able to render the opinion discussed in the immediately preceding risk factor, then the amount of the cash merger consideration will be reduced and the amount of the stock merger consideration will be increased, in each case to the minimum extent necessary for either of AMO's or VISX's counsel to be able to render such opinion. If the increase in stock merger consideration results in the aggregate stock merger consideration issuable to the VISX stockholders in the merger, to holders of VISX stock options assumed in the merger and to the holders of units of phantom stock accounts assumed in the merger constituting more than 44.9% of the number of outstanding shares of AMO common stock immediately following the completion of the merger, then either AMO or VISX may terminate the merger agreement.

In addition, because the date that the merger is completed will be later than the date of the special meetings, AMO and VISX stockholders will not know the exact value of the AMO common stock that will be issued in the merger at the time they vote on the merger proposals. As a result, if the market price of AMO common stock at the completion of the merger is lower than the market price on the date of the special meetings, the value of the AMO common stock that VISX stockholders will receive for the AMO common stock portion of the merger consideration will be less than the value on the dates of the special meetings.

During the twelve-month period ending on January 7, 2005, the most recent practicable date prior to the printing of this joint proxy statement/prospectus, the closing price of AMO common stock varied from a low of \$20.37 to a high of \$43.69, and ended that period at \$39.60. We encourage you to obtain current market quotations for AMO common stock before you vote your shares.

AMO and VISX may be unable to obtain the regulatory approvals required to complete the merger, or in order to do so, AMO may be required to comply with material restrictions or conditions.

The merger is subject to review by the Antitrust Division and the FTC under the HSR Act. Under the HSR Act, AMO and VISX are required to make pre-merger notification filings and to await the expiration or early termination of the statutory waiting period prior to completing the merger. We have made these filings, but the applicable waiting periods have not expired or been terminated. The merger is also subject to review by certain other governmental authorities under the antitrust laws of various other jurisdictions where VISX conducts business. The governmental entities from whom clearances, consents and approvals are required may attempt to condition their approval of the merger, or of the retention by VISX of licenses and other entitlements in the merger, on the satisfaction of certain regulatory conditions, which could include a complete or partial license, divestiture, spin-off or the sale of certain assets or businesses. Any such conditions may have the effect of imposing additional costs on AMO or otherwise substantially reducing the benefits to the combined company if the merger is completed, provided that AMO accepts such conditions, which it is not obligated to do under the merger agreement. If AMO does not accept such conditions, it could cause a condition to completion of the merger to fail.

In addition to the requirements under the HSR Act, the completion of the merger is conditioned upon expiration or termination of all necessary antitrust waiting periods and receipt of all necessary antitrust clearances, consents and approvals. AMO and VISX have not yet obtained all of the regulatory approvals required to complete the merger, but have filed or submitted all applicable filings and applications.

While AMO and VISX expect to obtain the required regulatory clearances, consents and approvals, AMO and VISX cannot be certain that the required approvals will be obtained, nor can they be certain that the approvals will be obtained within the time contemplated by the merger agreement. A delay in obtaining the required clearances, consents and approvals will delay and may possibly prevent the completion of the merger. For a full description of the regulatory clearances, consents and approvals required for the merger, see "The Merger - Regulatory Matters" beginning on page 81.

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AMO will have more indebtedness after the merger, which could adversely affect its cash flows and business.

In order to complete the merger, AMO anticipates arranging for and funding at least \$200 million of new financing. Proceeds from the financing will be used to fund the cash portion of the consideration paid to VISX stockholders. AMO debt outstanding as of September 24, 2004 was approximately \$568.4 million. As a result of the increase in debt, demands on AMO cash resources will increase after the completion of the merger. The increased levels of debt could, among other things:

require AMO to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing funds available for working capital, capital expenditures, dividends, acquisitions and other purposes;

increase AMO's vulnerability to, and limit flexibility in planning for, adverse economic and industry conditions;

affect AMO's credit rating;

limit AMO's ability to obtain additional financing to fund future working capital, capital expenditures, additional acquisitions and other general corporate requirements;

create competitive disadvantages compared to other companies with less indebtedness; and

limit AMO's ability to apply proceeds from an offering or asset sale to purposes other than the repayment of debt.

Although AMO and VISX expect that the merger will result in benefits to the combined company, the combined company may not realize those benefits because of integration and other challenges.

AMO's ability to realize the anticipated benefits of the merger will depend, in part, on the ability of AMO to integrate the business of VISX with the business of AMO. The combination of two independent companies is a complex, costly and time-consuming process. This process may disrupt the business of either or both of the companies, and may not result in the full benefits expected by AMO and VISX. The difficulties of combining the operations of the companies include, among others:

coordinating marketing functions;

unanticipated issues in integrating information, communications and other systems;

unanticipated incompatibility of purchasing, logistics, marketing and administration methods;

retaining key employees;

consolidating corporate and administrative infrastructures;

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

coordinating geographically separate organizations.

We cannot assure you that the combination of VISX with AMO will result in the realization of the full benefits anticipated from the merger. For a full description of the benefits anticipated from the merger, see "The Merger" "Reasons for the Merger" beginning on page 64.

If the proposed merger is not completed, AMO and VISX will have incurred substantial costs that may adversely affect AMO's and VISX's financial results and operations and the market price of AMO and VISX common stock.

AMO and VISX have incurred and will incur substantial costs in connection with the proposed merger. These costs are primarily associated with the fees of attorneys, accountants and AMO's and VISX's financial

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advisors. In addition, AMO and VISX have each diverted significant management resources in an effort to complete the merger and are each subject to restrictions contained in the merger agreement on the conduct of its business. If the merger is not completed, AMO and VISX will have incurred significant costs, including the diversion of management resources, for which each will have received little or no benefit. Also, if the merger is not completed under certain circumstances specified in the merger agreement, AMO or VISX may be required to pay the other expenses in the amount of \$8 million or a break-up fee of \$45 million. See *The Merger Agreement Termination; Break-Up Fees and Expenses* beginning on page 105.

In addition, if the merger is not completed, AMO and VISX may experience negative reactions from the financial markets and AMO's and VISX's collaborative partners, customers and employees. Each of these factors may adversely affect the trading price of AMO and/or VISX common stock and AMO's and/or VISX's financial results and operations.

Provisions of the merger agreement may deter alternative business combinations and could negatively impact the stock prices of AMO and VISX if the merger agreement is terminated in certain circumstances.

Restrictions in the merger agreement on solicitation generally prohibit AMO and VISX from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to the stockholders of AMO or VISX when compared to the terms and conditions of the merger described in this joint proxy statement/prospectus. In addition, if the merger is not completed under certain circumstances specified in the merger agreement, AMO or VISX may be required to pay the other expenses in the amount of \$8 million or a break-up fee of \$45 million. These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to AMO or VISX stockholders than the merger. In the event the merger is terminated by AMO or VISX in circumstances that obligate either party to pay the expenses or break-up fee to the other party, including where either party terminates the merger agreement because the other party's board of directors withdraws its support of the merger, AMO's and/or VISX's stock prices may decline. See *The Merger Agreement Termination; Break-Up Fees and Expenses* beginning on page 105.

Certain directors and executive officers of VISX have interests in the merger that may be different from, or in addition to, the interests of VISX stockholders.

When considering the VISX board of directors' recommendation that VISX stockholders vote in favor of the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, VISX stockholders should be aware that some directors and executive officers of VISX have interests in the merger that may be different from, or in addition to, the interests of VISX stockholders. These interests include the appointment of VISX's current Chairman and Chief Executive Officer to the AMO board of directors following completion of the merger, potential for severance payments to VISX's executive officers under change of control agreements, acceleration of vesting of options, phantom stock units as a result of the merger and the right to continued indemnification and insurance coverage by AMO for acts or omissions occurring prior to the merger. As a result of these interests, these directors and officers could be more likely to vote to approve and adopt the merger agreement and the merger contemplated by the merger agreement than if they did not hold these interests, and may have reasons for doing so that are not the same as the interests of other VISX stockholders. For a full description of the interests of directors and executive officers of VISX in the merger, see *The Merger Interests of Executive Officers and Directors of VISX in the Merger* beginning on page 86.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus contain or may contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, statements that include words such as may, will, project, might, expect, believe, anticipate, intend, could, would, estimate, continue or pursue, or the negative of these words or other expressions of similar meaning, may identify forward-looking statements. These forward-looking statements are found at various places throughout this joint proxy statement/prospectus and the other documents incorporated by reference. These forward-looking statements, including, without limitation, those relating to future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings and future financial results, in each case relating to AMO or VISX, respectively, wherever they occur in this joint proxy statement/prospectus or the other documents incorporated by reference herein, are necessarily estimates reflecting the best judgment of the respective management of AMO and VISX and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in this joint proxy statement/prospectus and incorporated by reference into this joint proxy statement/prospectus. In addition to the risk factors identified elsewhere, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

the effects of local and national economic, credit and capital market conditions on the economy in general, and on the ophthalmic medical device industry in particular, and the effects of foreign exchange rates and interest rates;

the ability to obtain the approvals of each company's stockholders, to obtain or meet the closing conditions in the merger agreement, including applicable regulatory and tax requirements, and to otherwise complete the merger in a timely manner;

the ability to timely and cost-effectively integrate the operations of AMO and VISX;

the ability to realize the synergies and other perceived advantages resulting from the merger;

access to available and feasible financing, including financing for the merger, on a timely basis;

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

the ability of each company to successfully execute its business strategies;

the extent and timing of market acceptance of new products or product indications;

the ability of each company to procure, maintain, enforce and defend its patents and proprietary rights;

changes in laws, including increased tax rates, regulations or accounting standards, third party relations and approvals, and decisions of courts, regulators and governmental bodies;

litigation outcomes and judicial actions, including costs and existing or additional litigation associated with the merger, and legislative action, referenda and taxation;

the ability of AMO or the combined company to continue to increase customer loyalty;

the ability to recoup costs of capital investments through higher revenues;

environmental restrictions, soil and water conditions, weather and other hazards, site access matters and building permit issues;

the effects of environmental and structural building conditions relating to our properties;

acts of war or terrorist incidents; and

the effects of competition, including locations of competitors and operating and market competition.

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You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or, in the case of documents incorporated by reference, as of the date of those documents. Neither AMO nor VISX undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as required by law.

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THE AMO SPECIAL MEETING

General

This joint proxy statement/prospectus is being provided to AMO stockholders as part of a solicitation of proxies by the AMO board of directors for use at a special meeting of AMO stockholders. This joint proxy statement/prospectus provides AMO stockholders with information they need to know to be able to vote or instruct their vote to be cast at the AMO special meeting.

Date, Time, and Place

The AMO special meeting will be held on _____, 2005 at _____ a.m., local time, at _____.

Purpose; Other Matters

The AMO special meeting is being held for the following purposes:

to consider and vote upon a proposal to approve the issuance of shares of AMO common stock in the merger;

to consider and vote upon a proposal to approve an amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock from 120,000,000 to 240,000,000;

to consider and vote upon a proposal to approve the AMO 2005 Incentive Compensation Plan;

to consider and vote upon a proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan; and

to consider and vote upon a proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.

AMO stockholders will also be asked to consider and vote upon any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting. AMO does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the AMO special meeting. However, if other matters incident to the conduct of the special meeting are properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

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AMO stockholders are voting on each proposal separately. Except as described below, the vote of an AMO stockholder on one proposal has no bearing on any of the other proposals, or any other matter that may come before the special meeting. In their discretion, the proxies are authorized to vote upon such other business as may properly be presented to the meeting or any adjournments, postponements, continuations or reschedulings thereof. If you vote **AGAINST** any of the proposals, the proxies are not authorized to vote for any adjournments, postponements, continuations or reschedulings of the meeting, including for the purpose of soliciting additional proxies, unless you so indicate by marking the appropriate box on the proxy card.

Recommendation of the AMO Board of Directors

Proposal 1

The AMO board of directors has unanimously approved a resolution, subject to stockholder approval, to approve the issuance of shares of AMO common stock in the merger and unanimously recommends that AMO stockholders vote **FOR** approval of the issuance of shares.

Approval of this proposal by AMO stockholders is a condition to the effectiveness of the merger.

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Proposal 2

The AMO board of directors has also unanimously approved a resolution, subject to stockholder approval, to amend the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock from 120,000,000 to 240,000,000 and unanimously recommends that AMO stockholders vote FOR approval of the amendment to the AMO certificate of incorporation.

Approval of this proposal is not a condition to the effectiveness of the merger. However, as long as the AMO stockholders approve the amendment to the AMO certificate of incorporation, even if the AMO stockholders do not approve the proposal to issue shares of AMO common stock in the merger or any of the other proposals, the amendment to the AMO certificate of incorporation could be implemented.

If this proposal is approved by AMO stockholders, the authorized number of shares of AMO common stock will increase from 120,000,000 to 240,000,000. AMO intends to file the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock as soon as practicable following approval by the AMO stockholders. The form of the certificate of amendment to the AMO certificate of incorporation is attached to this joint proxy statement/prospectus as Annex B. AMO reserves the right to abandon, upon approval of the AMO board of directors, the proposed amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock at any time prior to the filing of the amendment with the Secretary of State of the State of Delaware, including after approval of the AMO stockholders has been obtained.

The AMO board of directors believes it is desirable to authorize additional shares of AMO common stock so that there will be sufficient shares available for issuance for purposes that the AMO board of directors may later determine to be in the best interests of AMO and its stockholders. Such purposes could include the offer of shares for cash, acquisitions, financings, mergers, stock splits, employee benefit programs and other general corporate purposes. No further action or authorization by AMO stockholders would be necessary prior to the issuance of additional shares of AMO common stock, unless required by applicable law or regulation.

Of the 120,000,000 shares of AMO common stock currently reserved for issuance, an aggregate of 37,068,948 shares were outstanding on January 7, 2005. An aggregate of 11,900,000 shares have been reserved for issuance under AMO's stock-based compensation plans. The AMO board of directors has also authorized that an indeterminate number shares be reserved for issuance in connection with past financing transactions. While the number of shares reserved is indeterminate, AMO did cause a finite number of such shares to be registered under the Securities Act, including an aggregate of 6,816,796 shares that were registered in the event of the conversion of AMO's 3.5% Convertible Senior Subordinated Notes due 2023, and an aggregate of 6,966,575 shares that were registered in the event of conversion of AMO's 2.5% Convertible Senior Subordinated Notes due 2024. On September 13, 2004, the AMO board of directors separately reserved 2,000,000 shares of AMO common stock for use in connection with certain private exchanges of the 3.5% Convertible Senior Subordinated Notes due 2023. In the merger, AMO would issue approximately 27,600,000 shares of AMO common stock, based on the merger consideration of 0.552 shares of AMO common stock (not counting the \$3.50 in cash for each VISX share) for each share of VISX common stock outstanding, which as of December 31, 2004 was 49,923,381. Based upon the foregoing, if AMO did not increase its authorized common stock beyond the 120,000,000 shares currently authorized, immediately following the completion of the merger, AMO would have fewer than 30,000,000 shares unreserved and available for future issuances.

The proposed increase in the authorized shares could have a number of effects on AMO stockholders, depending on the exact nature and circumstances of any actual issuance of shares. An issuance of additional shares by AMO could have an effect on the potential realizable value of an AMO stockholder's investment. In the absence of a proportionate increase in AMO's earnings and book value, an increase in the aggregate number of outstanding shares of AMO common stock caused by the issuance of the additional shares would dilute the earnings per share and book value per share of all outstanding shares. If such factors were reflected in the price per share of AMO common stock, the potential

realizable value of a stockholder's investment could be adversely affected.

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In addition, the increase could have an anti-takeover effect, in that additional shares could be issued (within the limits imposed by applicable law) in one or more transactions that could make a change in control or takeover of AMO more difficult. For example, additional shares could be issued by AMO to dilute the stock ownership or voting rights of persons seeking to obtain control of AMO. Similarly, the issuance of additional shares to certain persons allied with AMO's management could have the effect of making it more difficult to remove AMO's current management by diluting the stock ownership or voting rights of persons seeking to cause such removal. The proposed amendment to increase the authorized AMO common stock is not prompted by any specific effort or takeover threat currently perceived by AMO.

Proposal 3

General

The AMO board of directors has adopted the AMO 2005 Incentive Compensation Plan, subject to the approval of the AMO stockholders. The AMO board of directors believes the proposed plan, pursuant to which 5,000,000 shares of AMO common stock will be reserved for issuance of awards, is essential to maintain AMO's balanced and competitive total compensation programs. AMO currently grants awards under its 2002 Incentive Compensation Plan, which is referred to as the 2002 Plan. As of November 30, 2004, 2,013,529 shares of AMO common stock remained available for future grants under the 2002 Plan and 5,788,548 shares of AMO common stock were subject to outstanding awards granted under the 2002 Plan. Immediately following the merger, AMO will be assuming the rights and obligations of VISX with respect to the VISX 2000 Stock Plan. The number of shares available for grant under the VISX 2000 Stock Plan to employees of VISX will be adjusted to reflect both the last reported sales price of AMO common stock on the day the merger is completed and the \$3.50 in cash paid to VISX stockholders in the merger. The proposed plan would enable AMO to continue to attract, retain and provide equity incentives to selected employees and other individuals to promote the financial success of AMO. In the event the 2005 Incentive Compensation Plan becomes effective, no new awards will be granted under the 2002 Plan or the VISX 2000 Stock Plan. In the event the 2005 Incentive Compensation Plan does not become effective, AMO will continue making awards under the 2002 Plan and, upon completion of the merger, the VISX 2000 Stock Plan, in accordance with the terms of such plans. If this proposal is not approved by AMO stockholders, the number of options that could be granted under the VISX 2000 Stock Plan is approximately 1,800,000 as of January 6, 2005.

Reflecting AMO's commitment to strong governance practices, including relating to compensation matters, the AMO 2005 Incentive Compensation Plan prohibits the repricing of stock options, the grant of discounted stock options or reload stock options, and loans to employees to finance a transaction under this plan. A reload stock option is one that entitles the optionee to the automatic grant of additional options in connection with an exercise of the original option.

In 1993, Section 162(m) was added to the Internal Revenue Code. Section 162(m) may limit AMO's ability to deduct for United States federal income tax purposes compensation in excess of \$1 million paid to each of its Chief Executive Officer and its four other highest paid executive officers in any one fiscal year. Grants of awards under the proposed plan would be subject to the \$1 million deduction limitation unless the proposed plan complies with the requirements for performance-based compensation. One of the requirements of performance-based compensation is that AMO stockholders approve the material terms of the proposed plan.

The following is a summary of the principal features of the proposed plan. The summary is qualified by and subject to the actual provisions of the proposed plan attached to this joint proxy statement/prospectus as Annex C.

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Summary of the AMO 2005 Incentive Compensation Plan

Purpose and Eligibility

The purpose of the proposed plan is to advance the interests of AMO and the AMO stockholders by affording AMO directors, employees and consultants an opportunity to acquire or increase a proprietary interest in AMO or to otherwise benefit from AMO's success through the grant of stock options, dividend equivalents, restricted stock, stock appreciation rights, stock payments, performance awards or other awards granted or sold under the proposed plan, collectively referred to as incentive awards. AMO thereby seeks to attract, retain and motivate those highly competent individuals upon whose judgment, initiative, leadership and continued efforts AMO's success in large measure depends.

All of AMO's regular employees, its independent directors, and certain consultants are eligible to receive incentive awards under the proposed plan if selected by the Organization, Compensation and Corporate Governance Committee, referred to as the committee, of the AMO board of directors. Currently, all of AMO's approximately 2,800 employees are eligible for selection, in addition to AMO's six independent directors. In addition, following the merger, approximately an additional 350 employees of VISX will also be eligible for selection. The target population for regular grants of awards is currently approximately 250 employees and will expand to approximately 340 with the addition of the VISX employees.

Administration, Amendment and Termination

The committee is responsible for administering the proposed plan and is composed of two or more persons appointed by the AMO board of directors. All committee members must be both non-employee as defined by Rule 16b-3 under the Exchange Act and outside directors for purposes of Section 162(m) of the Internal Revenue Code. The committee has the authority to interpret the proposed plan, determine the terms and conditions of incentive awards and make all other determinations necessary and/or advisable for the administration of the proposed plan. The committee may, with the consent of a participant, amend the terms of any existing incentive award previously granted to the participant, in a manner consistent with the proposed plan. The committee may not, however, reduce the exercise price of an outstanding stock option without first obtaining approval from the AMO stockholders. The committee also has authority to prescribe, amend and rescind rules and regulations relating to the proposed plan.

The AMO board of directors may alter, amend, suspend or terminate the proposed plan at any time. However, the AMO board of directors may not take any action to increase the maximum number of shares that may be sold or issued under the proposed plan or alter the class of eligible participants without the approval of the AMO stockholders.

Dividend Equivalents

The committee may, in its discretion and at no additional cost, grant a holder of an incentive award denominated in shares of AMO common stock an amount payable in cash, common stock or a combination thereof that is equivalent to the amount of dividends paid to AMO stockholders who own an equal number of shares of AMO common stock.

Option Grants to Employees and Consultants

Stock options granted under the proposed plan may be incentive stock options, or ISOs, intended to qualify under the provisions of Section 422 of the Internal Revenue Code or nonqualified stock options which do not so qualify. The committee determines the exercise price of AMO common stock that is subject to an option at the date the option is granted. The exercise price of an option may be less than the fair market value on the date of grant of the common stock subject to the option; however, the exercise price for an ISO may not be less than the fair market value on the date of grant of the common stock subject to the ISO. Options may be exercised as determined by the committee provided that an ISO may not be exercised after ten years from the date of grant.

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The proposed plan provides for automatic acceleration of vesting of options in the event of a change in control or an employee's termination due to death, total disability or job elimination. In the event employment terminates for cause, all options, vested and unvested, expire on the date of termination. In all other situations, options are exercisable upon termination only to the extent vested, unless otherwise determined by the committee.

Performance Awards

The committee may grant awards, payable in cash, common stock, restricted stock or a combination thereof to employees and consultants, with the terms and conditions determined by the committee at the time of grant. The committee will determine the performance criteria to be utilized to calculate the value of the performance awards, the term of the performance awards, the event or events giving rise to the right to payment of a performance award, and the form (cash, common stock and/or restricted stock) and time of payment of performance awards.

The performance criteria may be any one of the following:

net income;

pre-tax income;

operating income;

cash flow;

earnings per share;

return on equity;

return on invested capital or assets;

cost reduction or savings;

funds from operations;

appreciation in the fair market value of AMO common stock;

earnings before any one or more of the following items: interest, taxes, depreciation or amortization; or

total stockholder return.

Restricted Stock

The committee may award restricted stock to employees, consultants and independent directors. Shares of restricted stock are nontransferable and subject to a substantial risk of forfeiture until specific conditions are met as set forth in the proposed plan and in any statement evidencing the grant. The committee determines the purchase price (if any), terms of payment of the purchase price, restrictions upon the restricted stock and when the restrictions will lapse.

Upon termination of a participant's employment, consultancy or directorship for death or total disability, restrictions on all shares lapse. In the event an employee is terminated for job elimination, restrictions lapse on a prorated number of shares. In all other cases, all shares of restricted stock are forfeited and are repurchased by AMO if the participant paid any purchase price.

Stock Appreciation Rights

The committee may approve the grant to employees or consultants of a stock appreciation right, or a right to receive a number of shares of AMO common stock or, in the discretion of the committee, an amount in cash or a

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combination of shares and cash, based on the increase in the fair market value of the shares subject to the right during a period as specified by the committee. They may be related or unrelated to stock options.

Stock Payments

The committee may approve payments in shares of AMO common stock to replace all or any portion of the compensation (other than base salary) that would otherwise become payable to any regular employee or consultant in cash.

Securities Subject to Plan

The aggregate number of shares of AMO common stock reserved for issuance under the proposed plan is 5,000,000. The maximum number of shares AMO common stock available for issuance pursuant to the exercise of ISOs is 5,000,000. Shares subject to the unexercised portion of any incentive award that expires, terminates or is canceled and shares issued pursuant to an incentive award that AMO reacquires will again become available for the grant of further incentive awards under the proposed plan.

The proposed plan provides that the maximum number of shares with respect to which incentive awards may be granted to any individual in any given calendar year is 500,000. The maximum dollar amount of performance awards paid in cash in the aggregate to any individual in any calendar year is \$500,000.

The maximum number of shares issuable under the proposed plan, the number and kind of shares or other securities subject to then outstanding incentive awards, and the price for each share or other unit of any other securities subject to then outstanding incentive awards, will be appropriately and proportionately adjusted to reflect mergers, consolidations, sales or exchanges of all or substantially all of AMO's properties, reorganizations, recapitalizations, reclassifications, stock dividends, stock splits, reverse stock splits, spin-offs or other distributions with respect to such shares of common stock (or any stock or securities received with respect to such common stock) or a reduction in the value of the outstanding shares of common stock by reason of an extraordinary cash dividend.

On January 7, 2005, the closing price of AMO common stock on the NYSE was \$39.60 per share.

United States Federal Income Tax Consequences

The following is a brief description of the United States federal income tax treatment which will generally apply to incentive awards made under the proposed plan, based on United States federal income tax laws currently in effect. The exact United States federal income tax treatment of an incentive award will depend on the specific nature of the incentive award. Such an incentive award may, depending on the conditions applicable to the incentive award, be taxable as an option, as restricted or unrestricted stock, as a cash payment, or otherwise. Employees that participate in the plan are advised to consult with their tax advisor for particular federal, as well as state and local, income and any other tax advice.

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Incentive Stock Options. Pursuant to the proposed plan, employees may be granted options which are intended to qualify as ISOs under the provisions of Section 422 of the Internal Revenue Code. Generally, the optionee is not taxed and AMO is not entitled to a deduction on the grant or the exercise of an ISO. However, if the optionee sells the shares acquired upon the exercise of an ISO at any time within (a) one year after the date of transfer of ISO shares to the optionee pursuant to the exercise of the ISO or (b) two years after the date of grant of the ISO, then (1) the optionee will recognize capital gain equal to the excess, if any, of the sales price over the fair market value of the ISO shares on the date of exercise, (2) the optionee will recognize ordinary income equal to the excess, if any, of the lesser of the sales price or the fair market value of the ISO shares on the date of exercise, over the exercise price of the ISO, (3) the optionee will recognize capital loss equal to the excess, if any, of the exercise price of the ISO over the sales price of the ISO shares, and (4) AMO will generally be

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entitled to a deduction equal to the amount of ordinary income recognized by the optionee. If the optionee sells the ISO shares at any time after the optionee has held the ISO shares for at least (i) one year after the date of transfer of the ISO shares to the optionee pursuant to the exercise of the ISO and (ii) two years after the date of grant of the ISO, then the optionee will recognize capital gain or loss equal to the difference between the sales price and the exercise price of the ISO, and AMO will not be entitled to any deduction.

The amount by which the fair market value of the ISO shares received upon exercise of an ISO exceeds the exercise price will be included as a positive adjustment in the calculation of an optionee's alternative minimum taxable income, or AMTI in the year of exercise. The alternative minimum tax imposed on individual taxpayers is generally equal to the amount by which 28% (26% of AMTI below certain amounts) of the individual's AMTI (reduced by certain exemption amounts) exceeds his or her regular income tax liability for the year.

Nonqualified Options. The grant of an option or other similar right to acquire stock which does not qualify for treatment as an ISO is generally not a taxable event for the optionee. Upon exercise of the option, the optionee will generally recognize ordinary income in an amount equal to the excess of the fair market value of the stock acquired upon exercise (determined as of the date of the exercise) over the exercise price of the option, and AMO will be entitled to a tax deduction equal to that amount.

Restricted Stock. Incentive awards under the proposed plan may also include the grant or sale of restricted stock. Unless the recipient makes an election within 30 days after the receipt of the restricted stock, the recipient generally will not be taxed on the receipt of restricted stock until the restrictions on the stock expire or are removed. When the restrictions expire or are removed, the recipient will recognize ordinary income (and AMO will be entitled to a deduction) in an amount equal to the excess of the fair market value of the stock at that time over the purchase price (if any). However, if the recipient makes an election within 30 days of the receipt of restricted stock, he or she will recognize ordinary income (and AMO will be entitled to a deduction) equal to the excess of the fair market value of the stock on the date of receipt (determined without regard to vesting restrictions) over the purchase price (if any).

Stock Appreciation Rights. Recipients of stock appreciation rights, or SARs, generally do not recognize income upon the grant of the rights. When a participant elects to receive payment of a SAR, the participant recognizes ordinary income in an amount equal to the cash and fair market value of shares of common stock received, and AMO is entitled to a deduction equal to that amount.

Performance Awards, Dividends, and Dividend Equivalents. A payment made under a performance award (e.g., stock and cash bonuses), dividends and dividend equivalent payments are taxable as ordinary income when actually or constructively received by the recipient. As to any performance award paid in common stock, the amount taxable as ordinary income is the aggregate fair market value of the common stock determined as of the date received. AMO is entitled to deduct the amount of a performance award, dividends, and dividend equivalent payments when these amounts are taxable as compensation to the recipient.

Miscellaneous Tax Issues. Incentive awards may be granted under the plan which do not fall clearly into the categories described above. The United States federal income tax treatment of these incentive awards will depend upon the specific terms of the awards. Generally, AMO will be required to make arrangements for withholding applicable taxes with respect to any ordinary income recognized by a participant in connection with incentive awards made under the proposed plan. In addition, the American Jobs Creation Act of 2004 may change the tax treatment of incentive awards granted under the plan to the extent the incentive awards are subject to Section 409A of the Internal Revenue Code.

Special rules will apply in cases where a recipient of an incentive award pays the exercise or purchase price of the incentive award or applicable withholding tax obligations under the proposed plan by delivering previously owned shares of common stock or by reducing the amount of shares otherwise issuable pursuant to the incentive

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award. The surrender or withholding of such shares will in certain circumstances result in the recognition of income with respect to such shares or a carryover basis in the shares acquired.

The proposed plan generally provides for accelerated vesting or payment of incentive awards in connection with a change in ownership or control. In that event and depending upon the individual circumstances of the recipient, certain amounts with respect to these awards may constitute excess parachute payments under the golden parachute provisions of the Internal Revenue Code. Pursuant to these provisions, a recipient will be subject to a 20% excise tax on any excess parachute payment and AMO will be denied any deduction with respect to the payment. Recipients of incentive awards are advised to consult their tax advisors as to whether accelerated vesting of an incentive award in connection with a change of ownership or control would give rise to an excess parachute payment.

AMO generally obtains a deduction equal to the ordinary income recognized by the recipient of an incentive award. AMO's deduction for these amounts (including amounts attributable to the ordinary income recognized with respect to options, restricted stock, SARs, and performance awards) may be limited under Section 162(m) of the Internal Revenue Code to \$1 million (per person) annually if this plan is not approved by AMO stockholders. The \$1 million annual limit generally only applies to nonperformance-based compensation paid to AMO's Chief Executive Officer and its other four most highly compensated officers.

New Plan Benefits

At this time AMO cannot determine the amount of incentive awards under the AMO 2005 Incentive Compensation Plan, if approved, that will be granted in the future to specific officers, officers as a group, or non-officer employees as a group. Grants under the AMO 2005 Incentive Compensation Plan will be made at the discretion of the committee and, accordingly, are not yet determinable. In addition, benefits under the AMO 2005 Incentive Compensation Plan will depend on a number of factors, including the fair market value of AMO common stock on future dates and the exercise decisions made by participants. Consequently, it is not possible to determine the benefits that might be received by participants of incentive awards that will be made thereunder during 2004 or the incentive awards that would have been made thereunder during 2003 had the AMO 2005 Incentive Compensation Plan been in effect.

Recent Accounting Development

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123 (revised), Share-Based Payment. This standard requires expensing of stock options and other share-based payments and supercedes the FASB's earlier rule (the original SFAS 123) that had allowed companies to choose between expensing stock options or showing pro forma disclosure only. AMO will be required to implement the new pronouncement and begin recording share-based expense at the beginning of the third quarter of fiscal 2005.

The AMO board of directors recommends that stockholders vote FOR the approval of the AMO 2005 Incentive Compensation Plan.

Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the AMO 2005 Incentive Compensation Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the 2005 Incentive Compensation Plan will not be implemented and the 2002 Plan will remain in effect.

Proposal 4

In June 2002, the AMO board of directors adopted, and AMO's then sole stockholder subsequently approved, the AMO 2002 Employee Stock Purchase Plan, which, as amended and restated, is referred to as the

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ESPP. The aggregate number of shares initially reserved under the ESPP (together with shares reserved under the 2002 AMO International Stock Purchase Plan, which is referred to as the International ESPP, in the aggregate) was equal to the lesser of (i) 290,000 shares of common stock, or (ii) one percent of the shares of AMO common stock outstanding as of June 29, 2002, and increased once per year beginning October 1, 2003 by the lesser of (x) 290,000 shares of AMO common stock, or (y) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter, such aggregate number reduced by the purchase rights granted under the International ESPP.

As of November 30, 2004, an aggregate of 401,061 shares of AMO common stock had been issued under the ESPP and International ESPP and only 466,174 shares of AMO common stock remained available for future issuance before the next scheduled annual increase.

On November 18, 2004, the AMO board of directors approved amendments to the ESPP that, subject to the approval of AMO stockholders, would:

increase the number of shares available for issuance under the ESPP,

extend the term of the ESPP, and

reflect other administrative ESPP changes.

Reasons for the Amendments: Merger Commitments Will Prematurely Deplete Available Reserves.

AMO stockholders are being asked to approve an increase in ESPP and International ESPP shares on each November 1 beginning November 1, 2005, and ending (and including), November 1, 2014, by the lesser of (i) 400,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter in lieu of the increase on each October 1 beginning October 1, 2005, by the lesser of (i) 290,000 shares of common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter. The AMO board of directors believes this increase in the number of shares available for issuance under the ESPP is necessary to accommodate the enrollment of VISX employees who will be entitled to participate in the ESPP and International ESPP within thirty days following completion of the merger. In the event the AMO stockholders do not approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the Amended and Restated AMO 2002 International Stock Purchase Plan, the ESPP and the International ESPP will continue in accordance with their terms without giving effect to the amendments.

The following is a summary of the principal features of the ESPP, as amended and restated. The summary is qualified by and subject to the actual provisions of the Amended and Restated AMO 2002 Employee Stock Purchase Plan, a copy of which is attached to this joint proxy statement/prospectus as Annex D.

Summary of the ESPP

Purpose and Eligibility

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The purposes of the ESPP are (i) to assist eligible employees of AMO and certain of its subsidiary corporations in acquiring ownership of shares of AMO common stock pursuant to a plan which is intended to qualify as an employee stock purchase plan, within the meaning of Section 423(b) of the Internal Revenue Code and (ii) to help these employees provide for their future security and to encourage them to remain in AMO's employment.

Employees are eligible to participate if they are employed by AMO or any designated subsidiary; provided, however, an employee may not be granted the right to purchase stock under the ESPP if the employee (i) immediately after the grant would own stock possessing 5% or more of the total combined voting power or value

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of all classes of AMO's capital stock, or (ii) holds rights to purchase stock under any of AMO's employee stock purchase plans that together accrue at a rate which exceeds \$25,000 worth of stock for each calendar year. As of the AMO record date, a total of employees have elected to participate in the ESPP.

Administration

The committee administers the ESPP and is composed of two or more persons appointed by the AMO board of directors. All committee members must be non-employee directors as defined by Rule 16b-3 under the Exchange Act. The committee has the power to interpret the ESPP and the terms of the purchase rights granted under the ESPP and to adopt rules for the administration, interpretation, and application of the ESPP as are consistent with the ESPP and to interpret, amend or revoke those rules.

Duration, Amendment and Termination

The AMO board of directors may alter, amend, suspend or terminate the ESPP at any time. However, the AMO board of directors may not take any action to increase the maximum number of shares that may be sold or issued under the plan or alter the class of eligible participants without the approval of the AMO stockholders and may not take any action to abbreviate the offering period then in effect, unless such action is in connection with a change in control or required in order for the ESPP to qualify as an employee stock purchase plan within the meaning of Section 423(b) of the Internal Revenue Code.

Unless earlier terminated by the AMO board of directors, the ESPP currently expires in June 2012. AMO stockholders are being asked to approve an amendment to the ESPP to extend the term until after the scheduled purchase under the ESPP occurs on October 31, 2015.

Offering Periods

The ESPP initially contained offering periods that commenced October 1 and April 1 of each year, and ended on March 31 and September 30, respectively. On August 15, 2004, the AMO board of directors amended the ESPP to provide that the offering period commencing on October 1, 2004, would end on April 30, 2005, and thereafter offering periods would commence on May 1 and November 1 of each year and end on April 30 and October 31, respectively.

Participation in the ESPP

The ESPP permits eligible employees to contribute up to 10% of the employee's compensation through automatic payroll deductions. The maximum number of shares an employee may purchase during a single offering period is 10,000.

Purchase Price; Payment of Purchase Price

The price of AMO common stock offered under the ESPP is an amount equal to 85% of the lower of the fair market value of AMO common stock at the beginning or at the end of each offering period. The purchase price of the shares is accumulated by payroll deductions over the offering period.

Withdrawal; Termination of Employment

Employees may end their participation in the ESPP at any time during an offering period. In that event, any amounts withheld through payroll deductions and not otherwise used to purchase shares will be returned to them. Participation ends automatically upon termination of employment with AMO.

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Change in Control

In the event of a change in control of AMO, the committee will provide that all outstanding purchase rights under the plan will (i) continue, (ii) be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or (iii) be substituted for by similar purchase rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices. In the event that all outstanding purchase rights do not continue or are not assumed or substituted for, the committee will provide that all outstanding purchase rights will be exercised immediately prior to the change in control and the purchase rights will terminate immediately after they are exercised.

Securities Subject to Plan

Currently, a maximum of 2,900,000 shares of AMO common stock are authorized under the ESPP (together with the International ESPP). AMO stockholders are being asked to approve an increase in the number of shares subject to the ESPP on each November 1 beginning November 1, 2005, and ending (and including), November 1, 2014, by the lesser of (i) 400,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter in lieu of the increase on each October 1 beginning October 1, 2005, by the lesser of (i) 290,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter. If the proposal is approved by the AMO stockholders, a maximum of 4,867,235 shares of AMO common stock would be authorized under the ESPP (together with the International ESPP) through October 2015.

The maximum number of shares issuable under the ESPP, the number of shares or other securities subject to then outstanding purchase rights, and the price for each share or other securities subject to then outstanding purchase rights, will be appropriately and proportionately adjusted to reflect mergers, consolidations, sales or exchanges of all or substantially all of AMO's properties, reorganizations, recapitalizations, reclassifications, stock dividends, stock splits, reverse stock splits, spin-offs or other distributions with respect to such shares of common stock (or any stock or securities received with respect to such common stock) or a reduction in the value of the outstanding shares of common stock by reason of an extraordinary cash dividend.

On January 7, 2005, the closing price of AMO common stock on the NYSE was \$39.60 per share.

United States Federal Income Tax Consequences

The following is a brief description of the United States federal income tax treatment which will generally apply to shares of AMO common stock acquired under the ESPP, based on United States federal income tax laws currently in effect. Employees that participate in the ESPP are advised to consult with their tax advisor for particular United States federal, as well as state and local, income and any other tax advice.

Under the ESPP, no income will be taxable to a participant until the shares purchased under the ESPP are sold or otherwise disposed of. Upon sale or other disposition of the shares, the participant will generally be subject to tax and the amount of the tax will depend upon the holding period. If the shares are sold or otherwise disposed of more than two (2) years from the first day of the offering period and more than one (1) year from the date of transfer of the stock to the participant, then the participant will recognize ordinary income measured as the lesser of (i) the excess of the fair market value of the shares at the time of the sale or disposition over the purchase price, or (ii) an amount equal to 15% of the

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fair market value of the shares as of the first day of the offering period. Any additional gain will be treated as long-term capital gain. If the shares are sold or otherwise disposed of before the expiration of both of these holding periods, the participant will recognize ordinary income generally measured as the excess of the fair market value of the shares on the date the shares are purchased over the purchase price. Any additional gain or loss on the sale or disposition will be long-term or short-term capital gain or loss, depending on the holding period. AMO is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant except to the extent ordinary income is recognized by participants upon a sale or disposition of shares prior to the expiration of the holding period(s) described above.

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The ESPP is intended to comply with Section 423 of the Internal Revenue Code. The International ESPP is not intended to comply with Section 423 of the Code, but includes provisions to provide tax advantages to employees in the foreign jurisdictions where the International ESPP is offered. By complying with foreign rules, AMO did not want to risk disqualification of the ESPP under the Code, and therefore segregated the two plans to protect the United States benefit.

New Plan Benefits

At this time AMO cannot determine the amount of benefits under the Amended and Restated AMO 2002 Employee Stock Purchase Plan, if approved, that will be granted in the future, or that would have been made thereunder during 2003 had the ESPP been in effect, to specific officers, officers as a group, or non-officer employees as a group.

Recent Accounting Development

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123 (revised), Share-Based Payment. This standard requires expensing of stock options and other share-based payments and supercedes the FASB s earlier rule (the original SFAS 123) that had allowed companies to choose between expensing stock options or showing pro forma disclosure only. AMO will be required to implement the new pronouncement and begin recording share-based expense at the beginning of the third quarter of fiscal 2005.

The AMO board of directors recommends that stockholders vote FOR the approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan.

Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the Amended and Restated AMO 2002 Employee Stock Purchase Plan will not be implemented and the AMO 2002 Employee Stock Purchase Plan will remain as currently in effect.

Proposal 5

In June 2002, the AMO board of directors adopted, and AMO s then sole stockholder subsequently approved, the AMO 2002 International Stock Purchase Plan, which, as amended and restated, is referred to as the International ESPP. The aggregate number of shares initially reserved under the International ESPP (together with shares reserved under the ESPP, in the aggregate) was equal to the lesser of (i) 290,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the June 29, 2002, and increased once per year beginning October 1, 2003 by the lesser of (x) 290,000 shares of AMO common stock, or (y) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO s Form 10-Q for such quarter, such aggregate number reduced by the purchase rights granted under the ESPP.

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As of November 30, 2004, an aggregate of 401,061 shares of AMO common stock had been issued under the International ESPP and ESPP and only 466,174 shares of AMO common stock remained available for future issuance before the next scheduled annual increase.

On November 18, 2004, the AMO board of directors approved amendments to the International ESPP that, subject to the approval of the AMO stockholders, would:

increase the number of shares available for issuance under the International ESPP,

extend the term of the International ESPP, and

reflect other administrative International ESPP changes.

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Reasons for the Amendments: Merger Commitments Will Prematurely Deplete Available Reserves.

AMO stockholders are being asked to approve an increase in International ESPP and ESPP shares on each November 1 beginning November 1, 2005, and ending (and including), November 1, 2014, by the lesser of (i) 400,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter in lieu of the increase on each October 1 beginning October 1, 2005, by the lesser (i) 290,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter. The AMO board of directors believes this increase in the number of shares available for issuance under the International ESPP is necessary to accommodate the enrollment of VISX employees who will be entitled to participate in the International ESPP within thirty days following completion of the merger. In the event the AMO stockholders do not approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the Amended and Restated AMO 2002 International Stock Purchase Plan, the ESPP and the International ESPP will continue in accordance with their terms without giving effect to the amendments.

The following is a summary of the principal features of the International ESPP, as amended and restated. The summary is qualified by and subject to the actual provisions of the Amended and Restated AMO 2002 International Stock Purchase Plan, a copy of which is attached to this joint proxy statement/prospectus as Annex E.

Summary of the International Stock Purchase Plan

Purpose and Eligibility

The purposes of the International ESPP are (i) to assist eligible employees of certain of AMO's subsidiary corporations outside of the United States in acquiring ownership of shares of AMO common stock and (ii) to help these employees provide for their future security and to encourage them to remain in AMO's employment.

Employees are eligible to participate if they are employed by any designated subsidiary; provided, however, an employee may not be granted the right to purchase stock under the International ESPP if the employee (i) immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of all classes of AMO's capital stock, or (ii) holds rights to purchase stock under any of AMO's employee stock purchase plans that together accrue at a rate which exceeds \$25,000 worth of stock for each calendar year. As of the AMO record date, a total of _____ employees have elected to participate in the International ESPP.

Administration

The committee administers the International ESPP and is composed of two or more persons appointed by the AMO board of directors. All committee members must be non-employee directors as defined by Rule 16b-3 under the Exchange Act. The committee has the power to interpret the International ESPP and the terms of the purchase rights granted under the International ESPP and to adopt rules for the administration, interpretation, and application of the International ESPP as are consistent with the International ESPP and to interpret, amend or revoke those rules.

Duration, Amendment and Termination

The AMO board of directors may alter, amend, suspend or terminate the International ESPP at any time. However, the AMO board of directors may not take any action to increase the maximum number of shares that may be sold or issued under the plan or alter the class of eligible participants without the approval of the AMO stockholders and may not take any action to abbreviate the offering period then in effect, unless such action is in connection with a change in control or the offering period under the ESPP is abbreviated in order for the ESPP to qualify as an employee stock purchase plan within the meaning of Section 423(b) of the Internal Revenue Code.

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Unless earlier terminated by the AMO board of directors, the International ESPP currently expires in June 2012. AMO stockholders are being asked to approve an amendment to the International ESPP to extend the term until after the scheduled purchase under the International ESPP occurs on October 31, 2015.

Offering Periods

The International ESPP initially contained offering periods that commenced October 1 and April 1 of each year, and ended on March 31 and September 30, respectively. On August 15, 2004, the AMO board of directors amended the International ESPP to provide that the offering period commencing on October 1, 2004, would end on April 30, 2005, and thereafter offering periods would commence on May 1 and November 1 of each year and end on April 30 and October 31, respectively.

Participation in the International ESPP

The International ESPP permits eligible employees to contribute up to 10% of the employee's compensation through automatic payroll deductions. The maximum number of shares an employee may purchase during a single offering period is 10,000.

Purchase Price; Payment of Purchase Price

The price of AMO common stock offered under the International ESPP is an amount equal to 85% of the lower of the fair market value of AMO common stock at the beginning or at the end of each offering period. The purchase price of the shares is accumulated by payroll deductions over the offering period.

Withdrawal; Termination of Employment

Employees may end their participation in the International ESPP at any time during an offering period. In that event, any amounts withheld through payroll deductions and not otherwise used to purchase shares will be returned to them. Participation ends automatically upon termination of employment with AMO.

Change in Control

In the event of a change in control of AMO, the committee will provide that all outstanding purchase rights under the plan will (i) continue, (ii) be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or (iii) be substituted for by similar purchase rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices. In the event that all outstanding purchase rights do not continue or are not assumed or substituted for, the committee will provide that all outstanding purchase rights will be exercised immediately prior to the change in control and the purchase rights will

terminate immediately after they are exercised.

Securities Subject to Plan

The International ESPP and ESPP share the same share reserve. Currently, a maximum of 2,900,000 shares of AMO common stock are authorized under the International ESPP (together with the ESPP). AMO stockholders are being asked to approve an increase in the number of shares subject to the International ESPP on each November 1 beginning November 1, 2005, and ending (and including), November 1, 2014, by the lesser of (i) 400,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter in lieu of the increase on each October 1 beginning October 1, 2005, by the lesser of (i) 290,000 shares of AMO common stock, or (ii) one percent of the shares of AMO common stock outstanding as of the last day of the second quarter of the then current year as reported on AMO's Form 10-Q for such quarter. If the proposal is approved by the AMO stockholders, a maximum of 4,867,235 shares of AMO common stock would be authorized under the International ESPP (together with the ESPP) through October 2015.

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The maximum number of shares issuable under the International ESPP, the number of shares or other securities subject to then outstanding purchase rights, and the price for each share or other securities subject to then outstanding purchase rights, will be appropriately and proportionately adjusted to reflect mergers, consolidations, sales or exchanges of all or substantially all of AMO's properties, reorganizations, recapitalizations, reclassifications, stock dividends, stock splits, reverse stock splits, spin-offs or other distributions with respect to such shares of AMO common stock (or any stock or securities received with respect to such common stock) or a reduction in the value of the outstanding shares of AMO common stock by reason of an extraordinary cash dividend.

On January 7, 2005, the closing price of AMO common stock on the NYSE was \$39.60 per share.

New Plan Benefits

At this time AMO cannot determine the amount of benefits under the Amended and Restated AMO 2002 International Stock Purchase Plan, if approved, that will be granted in the future, or that would have been made thereunder during 2003 had the International ESPP been in effect, to specific officers, officers as a group, or non-officer employees as a group.

Recent Accounting Development

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123 (revised), Share-Based Payment. This standard requires expensing of stock options and other share-based payments and supercedes the FASB's earlier rule (the original SFAS 123) that had allowed companies to choose between expensing stock options or showing pro forma disclosure only. AMO will be required to implement the new pronouncement and begin recording share-based expense at the beginning of the third quarter of fiscal 2005.

The AMO board of directors recommends that stockholders vote FOR the approval of the Amended and Restated AMO 2002 International Stock Purchase Plan.

Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the Amended and Restated AMO 2002 International Stock Purchase Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the Amended and Restated AMO 2002 International Stock Purchase Plan will not be implemented and the AMO 2002 International Stock Purchase Plan will remain as currently in effect.

Equity Compensation Plans Approved by Stockholders

All of AMO's equity compensation plans were approved by Allergan, Inc., as AMO's sole stockholder, prior to AMO's spin-off from Allergan, and AMO stockholders also approved the 2002 Incentive Compensation Plan at the AMO 2003 annual stockholders meeting, and approved its amendment at the AMO 2004 annual stockholders meeting.

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The following table sets forth, for each of our equity compensation plans, the number of outstanding option grants and the number of shares remaining available for issuance as of the end of fiscal 2004.

Equity Compensation Plan Information

Category of Plan	Number of Securities		Number of Securities Remaining Available
	to be Issued Upon Exercise of Outstanding Options (1)	Weighted Average Exercise Price of Outstanding Options	for Future Issuance Under Equity Compensation Plans (2)
Equity Compensation Plans Approved by Security Holders	5,734,466	\$ 15.642	2,645,072
Equity Compensation Plans Not Approved by Security Holders	0		0
Total	5,734,466	\$ 15.642	2,645,072

- (1) Includes 1,718,222 options which remain outstanding under the AMO 2002 Incentive Compensation Plan, and which were issued upon conversion of Allergan stock options as a consequence of AMO's spin-off. Does not include an aggregate of 19,880 shares of restricted stock issued under such Plan.
- (2) Includes 466,174 shares currently authorized for issuance, in the aggregate, under our 2002 Employee Stock Purchase Plan and 2002 International Stock Purchase Plan. These plans contain evergreen features which provide that each year on October 1 (though October 1, 2011), the number of authorized shares (for both plans, on an aggregate basis) increases by the lesser of 290,000 shares or 1% of our shares of common stock outstanding. Also includes 149,196 shares authorized for issuance under our Irish Savings Related Share Option Scheme and 150,000 shares authorized for issuance under our AMO (Ireland) Share Participation Scheme. All of such shares have been registered with the SEC. Does not include an aggregate of 19,880 shares of restricted stock issued under the 2002 Incentive Compensation Plan.

Record Date; Outstanding Shares; Voting Rights

Only holders of record of AMO common stock at the close of business on the AMO record date, _____, are entitled to notice of and to vote at the AMO special meeting. As of the AMO record date, there were _____ shares of AMO common stock outstanding and entitled to vote at the special meeting, held by approximately _____ holders of record. Each holder of AMO common stock on the AMO record date is entitled to one vote for each share of AMO common stock owned as of the AMO record date.

A list of AMO stockholders will be available for review at the AMO special meeting and at the executive offices of AMO during regular business hours for a period of ten days before the AMO special meeting.

Admission to the Special Meeting

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Only AMO stockholders, their designated proxies and guests of AMO may attend the AMO special meeting. If you plan to attend the AMO special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, which means your shares are held of record by a broker, bank or other nominee, and you wish to vote at the AMO special meeting, you must bring to the special meeting a proxy from the record holder of the shares authorizing you to vote at the AMO special meeting.

Quorum and Vote Required

A quorum of stockholders is necessary to hold a valid special meeting of AMO stockholders. The required quorum for the transaction of business at the AMO special meeting is a majority of the outstanding shares of AMO common stock entitled to vote and present, whether in person or by proxy, at the AMO special meeting.

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All shares of AMO common stock represented at the AMO special meeting, including abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Broker non-votes are shares held by a broker or other nominee that are represented at the meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of the shares to vote on the particular proposal and the broker does not have discretionary voting power on the proposal.

Proposal 1

In accordance with NYSE listing requirements, the approval of the issuance of shares of AMO common stock in the merger requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal. Votes for, votes against and abstentions count as votes cast, while broker non-votes do not count as votes cast. All outstanding shares of AMO common stock, including broker non-votes, count as shares entitled to vote. Thus the total sum of votes for, plus votes against, plus abstentions, which is referred to as the NYSE votes cast, must be greater than 50% of the total outstanding shares of AMO common stock. Once this requirement is satisfied, the number of votes for the proposal must be greater than 50% of NYSE votes cast. Brokers and other nominees will not have discretionary voting authority on this proposal and thus broker non-votes will result from this proposal. Broker non-votes could have a negative effect on AMO's ability to obtain the necessary number of NYSE votes cast. An abstention will have the same effect as a vote against the proposal.

Proposal 2

In accordance with the requirements of the DGCL, approval of the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock requires the affirmative vote of the holders of a majority of the shares of outstanding AMO common stock and entitled to vote on the proposal. For this proposal, an abstention will have the same effect as a vote against the proposal. It is expected that brokers and other nominees will have discretionary voting authority on this proposal and thus broker non-votes will not result from this proposal.

Proposal 3

In accordance with NYSE listing requirements, the approval of the AMO 2005 Incentive Compensation Plan requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal. Votes for, votes against and abstentions count as votes cast, while broker non-votes do not count as votes cast. All outstanding shares of AMO common stock, including broker non-votes, count as shares entitled to vote. Thus the total NYSE votes cast must be greater than 50% of the total outstanding shares of AMO common stock. Once this requirement is satisfied, the number of votes for the proposal must be greater than 50% of NYSE votes cast. It is expected that brokers and other nominees will not have discretionary voting authority on this proposal and thus broker non-votes will result from this proposal. Broker non-votes could have a negative effect on AMO's ability to obtain the necessary number of NYSE votes cast. An abstention will have the same effect as a vote against the proposal.

Proposal 4

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The approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal. Votes for, votes against and abstentions count as votes cast, while broker non-votes do not count as votes cast. All outstanding shares of AMO common stock, including broker non-votes, count as shares entitled to vote. Thus the total sum of votes for, plus votes against, plus

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abstentions, which is referred to as the votes cast, must be greater than 50% of the total outstanding shares of AMO common stock. Once this requirement is satisfied, the number of votes for the proposal must be greater than 50% of votes cast. It is expected that brokers and other nominees will not have discretionary voting authority on this proposal and thus broker non-votes will result from this proposal. Broker non-votes could have a negative effect on AMO's ability to obtain the necessary number of votes cast. An abstention will have the same effect as a vote against the proposal.

Proposal 5

In order to approve the Amended and Restated AMO 2002 International Stock Purchase Plan, AMO is seeking the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal. Votes for, votes against and abstentions count as votes cast, while broker non-votes do not count as votes cast. All outstanding shares of AMO common stock, including broker non-votes, count as shares entitled to vote. Thus the total votes cast must be greater than 50% of the total outstanding shares of AMO common stock. Once this requirement is satisfied, the number of votes for the proposal must be greater than 50% of votes cast. It is expected that brokers and other nominees will not have discretionary voting authority on this proposal and thus broker non-votes will result from this proposal. Broker non-votes could have a negative effect on AMO's ability to obtain the necessary number of votes cast. An abstention will have the same effect as a vote against the proposal.

Voting by AMO Directors and Executive Officers

As of the AMO record date, the directors and executive officers of AMO as a group beneficially owned and were entitled to vote approximately _____ shares of AMO common stock, or approximately _____ % of the AMO common stock on that date.

Voting; Proxies, Revocation

General

AMO stockholders of record as of the AMO record date (including participants in the AMO Company Stock Fund of the AMO 401(k) Plan) may vote their shares by attending the AMO special meeting and voting their shares in person, by completing, signing and dating their proxy cards and mailing them in the enclosed pre-addressed envelopes, or by using the 24-hour a day telephone or Internet voting options. AMO stockholders holding shares of AMO common stock in street name, which means that their shares are held of record by a broker or nominee, may vote by mail by completing, signing and dating the voting instruction forms for the AMO special meeting provided by their brokers or nominees and returning their voting instruction forms to the record holders of their shares. Even if you plan to attend the meeting, AMO recommends that you vote prior to the meeting. You can always change your vote as described below.

Voting by Proxy

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All properly signed proxies that are received prior to the AMO special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies. If you do not specify how you wish AMO to vote your shares, your shares will be voted

FOR approval of the issuance of shares of AMO common stock in the merger, FOR approval of the amendment to AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, FOR approval of the AMO 2005 Incentive Compensation Plan, FOR approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan, and FOR approval of the Amended and Restated AMO 2002 International Stock Purchase Plan. Proxy holders will also vote shares according to their discretion on any other matter properly brought before the meeting.

You may receive more than one proxy card depending on how you hold your shares. Generally, you need to either call the toll free number, vote by accessing the Internet, or sign and return all of your proxy cards to vote

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all of your shares. For example, if you hold shares through someone else, such as a stockbroker, you may get proxy material from that person. Shares registered in your name and shares held in the AMO 401(k) Plan are covered by a separate proxy card. If a proxy card representing shares in the AMO 401(k) Plan is not voted, those shares will be voted by the trustee of the plan in accordance with the direction of AMO's corporate benefits committee.

As of November 30, 2004, there were approximately 477,324 shares of AMO common stock held by employees of AMO through the AMO 401(k) Plan. Each share of AMO common stock held by this plan will be voted by the trustee of the plan in accordance with the instructions it receives from the respective plan participant. Shares of AMO common stock for which the trustee has not received instructions from the respective plan participant, or for which the plan participant has revoked his or her proxy before the special meeting, will be considered unvoted. All unvoted shares of common stock in the plan will be voted at the AMO special meeting by the trustee as instructed by AMO's corporate benefits committee.

Changing Your Vote

AMO stockholders may change their votes at any time prior to the vote at the AMO special meeting. AMO stockholders of record may change their votes by granting new proxies bearing a later date (which automatically revoke the earlier proxies) or by attending the AMO special meeting and voting in person. Attendance at the AMO special meeting in and of itself will not cause previously granted proxies to be revoked, unless AMO stockholders so request. AMO stockholders may also revoke their proxies by notifying the Secretary of AMO in writing. Written notices of revocation and other communications with respect to revocation of AMO proxies should be addressed to:

Advanced Medical Optics, Inc.

1700 East St. Andrew Place

Santa Ana, CA 92705

Attn: Secretary

AMO stockholders who hold their AMO shares in street name may change their votes by submitting new voting instructions to the record holders of their shares or by attending the AMO special meeting and voting in person, provided that they have obtained a signed legal proxy from the record holders of their shares giving them the right to vote their shares at the AMO special meeting. AMO stockholders who hold their shares in street name should contact the record holders of their shares for information about obtaining legal proxies for the AMO special meeting.

Abstentions and Broker Non-Votes

For Proposal 1, abstentions will have the same effect as voting against approval of the issuance of shares of AMO common stock in the merger and broker non-votes could have a negative effect on AMO's ability to obtain the necessary number of NYSE votes cast.

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For Proposal 2, abstentions will have the same effect as voting against approval of the amendment to the AMO certificate of incorporation to increase the authorized number of shares of AMO common stock.

For Proposal 3, abstentions will have the same effect as voting against approval of the AMO 2005 Incentive Compensation Plan and broker non-votes could have a negative effect on AMO's ability to obtain the necessary quorum for the vote.

For Proposal 4, abstentions will have the same effect as voting against approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan and broker non-votes could have a negative effect on AMO's ability to obtain the necessary quorum for the vote.

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For Proposal 5, abstentions will have the same effect as voting against approval of the Amended and Restated AMO 2002 International Stock Purchase Plan and broker non-votes could have a negative effect on AMO's ability to obtain the necessary quorum for the vote.

Under the listing requirements of the NYSE, brokers who hold shares of AMO common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters which the NYSE determines to be non-routine, such as approval of the issuance of shares of AMO common stock in the merger, without specific instructions from the beneficial owner. These non-voted shares are referred to as broker non-votes. If your broker holds your AMO common stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus.

Proxy Solicitation

AMO is soliciting proxies for the AMO special meeting from AMO stockholders. AMO will bear the entire cost of soliciting proxies from AMO stockholders, except that AMO and VISX have each agreed to share equally all expenses incurred in connection with the filing with the SEC of the registration statement of which this joint proxy statement/prospectus forms a part, and the printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, AMO will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of AMO common stock held by them and secure their voting instructions, if necessary. AMO will reimburse those record holders for their reasonable expenses. AMO has also made arrangements with MacKenzie Partners, Inc. to assist it in soliciting proxies, and has agreed to pay a fee of approximately \$9,500 plus expenses for those services. AMO also may use several of its regular employees, who will not be specially compensated, to solicit proxies from AMO stockholders, either personally or by telephone, Internet, telegram, facsimile or special delivery letter.

Please do not send in any AMO stock certificates with your proxy cards or voting instruction forms.

Postponements and Adjournments

Postponements and adjournments may be made for the purpose of, among other things, soliciting additional proxies. An adjournment may be made from time to time by approval of the holders of shares representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting. AMO does not currently intend to seek an adjournment of the AMO special meeting.

Assistance

If you need assistance in completing your proxy card or have questions regarding the AMO special meeting, please contact AMO Investor Relations at (714) 247-8200 or write to Advanced Medical Optics, Inc., 1700 East St. Andrew Place, Santa Ana, CA 92705, Attn: Investor Relations, or contact MacKenzie Partners, Inc. toll-free at (800) 322-2885, or collect for banks and brokers at (212) 929-5500.

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THE VISX SPECIAL MEETING

Date, Time and Place

The special meeting of VISX stockholders will be held on _____, 2005, at _____ a.m. local time at _____.

Purpose; Other Matters

At the VISX special meeting, the VISX stockholders will be asked to consider and vote upon a proposal to approve and adopt the merger agreement and approve the merger contemplated by the merger agreement. VISX stockholders will also be asked to consider and vote upon such other business as may properly come before the special meeting, or any adjournment or postponement of the special meeting. VISX is not aware of any business to be acted upon at the VISX special meeting other than the proposals set forth in this joint proxy statement/prospectus. If, however, other matters incident to the conduct of the special meeting are properly brought before the VISX special meeting, or any adjournment or postponement of the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters. If you vote **AGAINST** the proposal, the proxies are not authorized to vote for any adjournments, postponements, continuations or reschedulings of the meeting, including for the purpose of soliciting additional proxies, unless you so indicate by marking the appropriate box on the proxy card.

Recommendation of the VISX Board of Directors

After careful consideration, the VISX board of directors, having unanimously determined that the merger is advisable, fair to and in the best interests of VISX and its stockholders, unanimously approved the merger agreement and the merger contemplated by the merger agreement. Accordingly, the VISX board of directors unanimously recommends that VISX's stockholders vote **FOR** the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

Record Date; Outstanding Shares; Voting Rights

Holders of record of VISX common stock at the close of business on the VISX record date, _____, 2004, are entitled to notice of, and to vote at, the VISX special meeting. As of the VISX record date, there were _____ shares of VISX common stock outstanding and entitled to vote at the special meeting, held by approximately _____ holders of record. Each holder of VISX common stock on the VISX record date is entitled to one vote for each share of VISX common stock owned as of the VISX record date on the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

A list of VISX stockholders will be available for review at the VISX special meeting and at the executive offices of VISX during regular business hours for a period of ten days before the VISX special meeting.

Admission to the Special Meeting

Only VISX stockholders, including joint holders, as of the close of business on the VISX record date and other persons holding valid proxies for the special meeting will be entitled to attend the special meeting. All stockholders and their proxies should be prepared to present photo identification. In addition, record holders' names are subject to verification against the list of record holders on the record date prior to being admitted to the special meeting. VISX stockholders who are not record holders but hold shares through a broker or nominee (*i.e.*, in street name) should be prepared to provide proof of beneficial ownership on the record date, such as a recent account statement prior to the VISX record date, or similar evidence of ownership. Persons who do not provide photo identification or comply with the other procedures outlined above upon request may not be admitted to the special meeting. If you plan to attend the VISX special meeting and wish to vote in person, you will be given a ballot at the special meeting.

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Quorum and Vote Required

A quorum of stockholders is necessary to hold a valid meeting of VISX stockholders. A majority of the shares of VISX common stock issued and outstanding and entitled to vote on the record date must be present in person or by proxy at the VISX special meeting for a quorum to be established.

Approval and adoption of the merger agreement and approval of the merger will require the affirmative vote of the holders of a majority of the shares of VISX common stock outstanding on the VISX record date.

Voting by VISX Directors and Executive Officers

As of the VISX record date for the VISX special meeting, the directors and executive officers of VISX and their affiliates beneficially owned and were entitled to vote approximately shares of VISX common stock, which represents approximately % of the shares of VISX common stock outstanding on that date.

Voting; Proxies, Revocation

General

VISX stockholders of record may vote their shares by attending the VISX special meeting and voting their shares in person, by completing, signing and dating their proxy cards and mailing them in the enclosed pre-addressed envelopes, or by using the 24-hour a day telephone or Internet voting options. VISX stockholders holding shares of VISX common stock in street name, which means that their shares are held of record by a broker or nominee, may vote by mail by completing, signing and dating the voting instruction forms for the VISX special meeting provided by their brokers or nominees and returning their voting instruction forms to the record holders of their shares. Even if you plan to attend the meeting, VISX recommends that you vote prior to the meeting. You can always change your vote as described below.

Voting by Proxy

All properly signed proxies that are received prior to the VISX special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies. If VISX stockholders of record do not include instructions on how to vote their properly signed proxy cards for the VISX special meeting, their shares will be voted FOR the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

You may receive more than one proxy card depending on how you hold your shares. Generally, you need to either call the toll free number, vote by accessing the Internet, or sign and return all of your proxy cards to vote all of your shares. For example, if you hold shares through someone

else, such as a stockbroker, you may get proxy material from that person.

Changing Your Vote

VISX stockholders may change their votes at any time prior to the vote at the VISX special meeting. VISX stockholders of record may change their votes by granting new proxies bearing a later date (which automatically revoke the earlier proxies) or by attending the VISX special meeting and voting in person. Attendance at the VISX special meeting in and of itself, will not cause previously granted proxies to be revoked, unless VISX stockholders so request. VISX stockholders may also revoke their proxies by notifying the Secretary of VISX in writing. Written notices of revocation and other communications with respect to revocation of VISX proxies should be addressed to:

VISX, Incorporated

3400 Central Expressway

Santa Clara, California 95051

Attn: Secretary

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VISX stockholders who hold their VISX shares in street name may change their votes by submitting new voting instructions to the record holders of their shares or by attending the VISX special meeting and voting in person, provided that they have obtained a signed legal proxy from the record holders of their shares giving them the right to vote their shares at the VISX special meeting. VISX stockholders who hold their shares in street name should contact the record holders of their shares for information about obtaining legal proxies for the VISX special meeting.

Abstentions and Broker Non-Votes

Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present at the VISX special meeting. Under the listing requirements of the NYSE, brokers who hold shares of VISX common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters which the NYSE determines to be non-routine, such as the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, without specific instructions from the beneficial owner. These non-voted shares are referred to as broker non-votes. If a broker holds a VISX stockholder's common stock in street name, that broker will vote shares held in street name only to the extent the VISX stockholder provides instructions on how to vote by filling out the voting instruction form sent by the broker with this joint proxy statement/prospectus. Shares held by a broker or nominee that are not voted because the customer has not provided instructions to the broker or nominee will have the same effect as a vote against the proposal.

For the purpose of determining whether the proposal to approve and adopt the merger agreement and to approve the merger contemplated by the merger agreement has received the requisite number of affirmative votes, abstentions will be counted and have the same effect as a vote against the proposal. Failing to vote will also have the same effect as a vote against the proposal.

Postponements and Adjournments

Postponements and adjournments may be made for the purpose of, among other things, soliciting additional proxies. Pursuant to the VISX bylaws, VISX stockholders present in person or represented by proxy at the VISX special meeting have the power to adjourn the meeting without notice other than announcement at the meeting.

Proxy Solicitation

VISX is soliciting proxies for the VISX special meeting from VISX stockholders. VISX will bear the entire cost of soliciting proxies from VISX stockholders, except that VISX and AMO have each agreed to share equally all expenses incurred in connection with the filing with the SEC of the registration statement of which this joint proxy statement/prospectus forms a part, and the printing and mailing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, VISX will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of VISX common stock held by them and secure their voting instructions, if necessary. VISX will reimburse those record holders for their reasonable expenses. VISX has also made arrangements with MacKenzie Partners, Inc. to assist it in soliciting proxies, and has agreed to pay a fee of approximately \$12,000 plus expenses for those services. VISX also may use several of its regular employees, who will not be specially compensated, to solicit proxies from VISX stockholders, either personally or by telephone, Internet, telegram, facsimile or special delivery letter.

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Please do not send in any VISX stock certificates with your proxy cards or voting instruction forms. _____, the exchange agent for the merger, will send transmittal forms with instructions for the surrender of certificated representing shares of VISX common stock to former VISX stockholders shortly after the merger is completed.

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If you hold your shares of VISX common stock in book entry, instructions for the exchange of your shares for the merger consideration will be included in the transmittal forms sent to you by the exchange agent.

Assistance

If you need assistance in completing your proxy card or have questions regarding the VISX special meeting, please contact VISX Investor Relations at (408) 773-7600 or write to VISX, Incorporated, 3400 Central Expressway, Santa Clara, CA 95051, Attn: Investor Relations, or contact MacKenzie Partners, Inc. toll-free at (800) 322-2885, or collect for banks and brokers at (212) 929-5500.

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THE MERGER

The following is a description of the material aspects of the merger, including the merger agreement. While AMO and VISX believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. AMO and VISX encourage you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the merger.

Background of the Merger

Over the past several years, the VISX board of directors and members of VISX management have worked to secure VISX's future by broadening its product offerings and geographical presence. As part of this process, the VISX board of directors and VISX management have considered a range of strategic alternatives, including the following:

a stand-alone scenario whereby VISX would continue to sell and innovate in its current area of strategic focus;

an augmentation scenario, whereby VISX would remain independent while pursuing strategic incremental acquisitions to diversify its product portfolio and earnings base;

a sale scenario, whereby VISX would seek to sell the company to one of the few large corporations in the ophthalmic industry; and

a merger scenario, whereby VISX would seek to merge with another mid-size company in the ophthalmic industry in an effort to strengthen both companies by expanding their mutual product offerings.

When the AMO opportunity arose, VISX management relied, in part, upon information gained during its earlier strategic assessments to determine that a broader relationship, or business combination, with AMO would be in the best interests of VISX and its stockholders. In particular, VISX management believed that such a relationship or combination could help broaden VISX's product offerings and geographical presence more quickly and effectively than any other approach.

During early March 2004, James V. Mazzo, President and Chief Executive Officer of AMO, initiated an informal discussion with Elizabeth H. Dávila, Chairman and Chief Executive Officer of VISX, regarding the potential for a broader strategic relationship between AMO and VISX, including a possible business combination. During this discussion, Mr. Mazzo and Ms. Dávila did not agree to explore any particular relationship or transaction, but agreed to have further discussions on these general subjects, and Ms. Dávila requested that Mr. Mazzo provide more specific information regarding AMO's products in development during their next discussion.

On March 19, 2004, Mr. Mazzo and Ms. Dávila met in Santa Ana, California, together with William J. Link, Ph.D., a member of the AMO board of directors. The parties discussed the possible rationales for a broader strategic relationship between AMO and VISX, including a possible business combination, and Mr. Mazzo discussed AMO's research and development pipeline.

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In early April 2004, Ms. Dávila contacted representatives of Goldman Sachs, who historically had provided investment banking services for VISX, to begin a review and analysis of AMO.

On April 29, 2004, representatives of Goldman Sachs met with several senior members of VISX management, including Ms. Dávila, Douglas H. Post, VISX's President and Chief Operating Officer, Derek A. Bertocci, VISX's Senior Vice President and Chief Financial Officer, and John F. Runkel, Jr., VISX's General Counsel, who in August 2004 was named Senior Vice President of Business Development and General Counsel,

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to discuss AMO. The discussion focused upon publicly available financial data and also included an analysis of the financial condition and results of operations for both AMO and VISX.

At a regularly scheduled meeting of the VISX board of directors on May 12 and 13, 2004, VISX management discussed AMO. The discussion focused upon publicly available financial data and also included an analysis of the financial condition and results of operations for both AMO and VISX.

At a regularly scheduled meeting of the AMO board of directors on May 20, 2004, the AMO management informed the AMO board of directors of discussions with VISX regarding a possible business combination. The AMO board of directors authorized management to continue discussions with VISX and to engage financial and legal advisors with respect to a possible business combination. AMO engaged Morgan Stanley as AMO's financial advisor in connection with a possible business combination with VISX.

On June 14, 2004, Mr. Mazzo telephoned Ms. Dávila to further discuss the potential for a broader strategic relationship between AMO and VISX, including a possible business combination. Again, neither Mr. Mazzo nor Ms. Dávila agreed to any particular relationship or transaction at this time, but continued to express interest in, and both agreed to continue to explore the idea of, a broader strategic relationship between the parties.

On June 21, 2004, the VISX board of directors convened a special telephonic meeting. Mr. Post also attended the meeting. During this meeting, Ms. Dávila informed the VISX board of directors of her conversations with Mr. Mazzo. The VISX board of directors also determined to engage Goldman Sachs as its financial advisor in connection with a possible business combination with AMO and authorized VISX management to negotiate and execute an engagement letter with Goldman Sachs.

On July 16, 2004, Mr. Mazzo and Richard A. Meier, AMO's Executive Vice President of Operations and Finance and Chief Financial Officer, traveled to Santa Clara, California to meet with Ms. Dávila, Mr. Bertocci and Mr. Post to discuss their respective business models and to explore the possible rationales for a strategic relationship between AMO and VISX, including a possible business combination. During this meeting, Messrs. Mazzo and Meier discussed the strategic rationale for a possible business combination and suggested that the parties consider a tax-free exchange of stock to effect the transaction in a manner that would enable the stockholders of both companies to realize the benefit of a combination.

Between July 16, 2004 and July 23, 2004, Mr. Mazzo and Ms. Dávila had telephonic meetings in which they discussed economic contribution and valuation issues relating to a possible business combination.

On July 23, 2004, Goldman Sachs highlighted for Ms. Dávila and other members of the VISX management team the key financial considerations and issues arising out of the July 16, 2004 discussions regarding a possible business combination.

Between July 23, 2004 and July 29, 2004, Mr. Mazzo and Ms. Dávila had a number of telephonic meetings in which they continued to discuss economic contribution and valuation issues relating to a possible business combination.

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On July 29 and August 2, 2004, Mr. Mazzo indicated to Ms. Dávila that AMO continued to be interested in exploring a possible business combination between the two companies, and further discussed the proposed structure of the transaction as a 100% stock-for-stock tax-free reorganization, the potential premium that VISX stockholders could receive and the resulting ownership interest for VISX stockholders in the new combined company.

On August 4, 2004, VISX engaged Goldman Sachs to act as its financial advisor for the limited purpose of participating in the August 4, 2004 meeting of the VISX board of directors and discussing the possible business combination transaction with AMO, the scope of which engagement was expanded on August 16, 2004 when

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VISX engaged Goldman Sachs to act as exclusive financial advisor to the VISX board of directors in connection with the potential business combination between VISX and AMO.

On August 4 and 5, 2004, the VISX board of directors convened a two-day regular meeting. Messrs. Post and Runkel of VISX and representatives of Goldman Sachs also attended this meeting. During this meeting, Ms. Dávila updated the VISX board of directors on the status of her discussions with Mr. Mazzo regarding a possible 100% stock-for-stock business combination between AMO and VISX, in which VISX stockholders could hold approximately 48% of the fully diluted shares of AMO common stock immediately following the possible business combination. Representatives of Goldman Sachs then discussed its preliminary analysis of a possible business combination with AMO. The VISX board of directors requested additional analysis from Goldman Sachs regarding a strategic combination with AMO including analysis concerning the addition of a cash component to the consideration. Mr. Runkel then discussed with the VISX board of directors its fiduciary duties in connection with the board's consideration of a possible business combination. Following these presentations, the VISX board of directors met in executive session and determined to retain an ophthalmic industry consultant to perform a review of the ophthalmic industry, the major competitors within that industry and their products, including AMO, as well as an overview of a possible business combination between AMO and VISX.

On August 30, 2004, Ms. Dávila and Mr. Post traveled to Costa Mesa, California to meet with Mr. Mazzo and Mr. Meier. During this meeting, the parties further discussed the potential benefits of a possible business combination between AMO and VISX.

On September 7 and 8, 2004, the VISX board of directors convened a special meeting in Irving, Texas. Mr. Post of VISX, representatives of Goldman Sachs, the retained ophthalmic industry consultant, and Mr. Mazzo of AMO also attended portions of this meeting. At this meeting, Ms. Dávila updated the VISX board of directors on the status of her discussions with Mr. Mazzo regarding a possible business combination transaction between AMO and VISX. Mr. Post and the ophthalmic industry consultant then joined the meeting. The consultant discussed his analyses with the VISX board of directors, which discussion included an overview of the ophthalmic industry, an analysis of the major competitors in that industry and their products, with a particular focus on the business of AMO. Representatives of Goldman Sachs then discussed its updated preliminary analysis of a possible business combination with AMO. The Goldman Sachs representatives also discussed Goldman Sachs' analysis of including a cash component in the consideration payable to VISX stockholders in connection with a possible business combination between AMO and VISX. The board members and their representatives discussed the tax treatment of any potential cash portion of the consideration and the likely impact adding cash to the mix of consideration would have on the post-transaction ownership interest of the VISX stockholders in the combined company. On September 8, Mr. Mazzo joined the meeting and discussed a possible business combination with the VISX board of directors. Mr. Mazzo, Mr. Post and Ms. Dávila then left the meeting and the outside directors met in an executive session. After discussion, the VISX board of directors directed management to obtain additional information regarding the equity share for the VISX stockholders in the combined company as well as information regarding the proposed operations of VISX as part of the combined company.

On September 10, 2004, AMO and VISX executed a mutual confidentiality and non-disclosure agreement.

From September 10 through September 29, 2004, Ms. Dávila and Mr. Mazzo had several additional telephonic meetings in which they discussed economic contribution and valuation issues relating to the proposed business combination and the governance and management of the combined company.

On September 15, 2004, the VISX board of directors retained Morrison & Foerster LLP to act as special counsel to the outside directors.

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On September 22, 2004, the AMO board of directors convened a regular meeting at which it received an update from management on recent discussions with VISX, and the AMO board of directors authorized

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management to engage in further discussions with VISX and to begin a formal due diligence process with respect to the proposed business combination with VISX.

On September 29 and 30, 2004, the VISX board of directors convened a regular meeting. Messrs. Post, Bertocci and Runkel of VISX also attended the meeting. During this meeting, Ms. Dávila updated the VISX board of directors on her conversations with Mr. Mazzo since September 8, 2004 regarding the proposed business combination. Upon conclusion of these discussions, the board authorized management to engage in further discussions with AMO and to begin a formal due diligence process with respect to the proposed business combination.

Shortly thereafter, AMO, with the assistance of Morgan Stanley, and VISX, with the assistance of Goldman Sachs, each initiated an extensive business due diligence investigation of the business and operations of the other and of the proposed business combination.

On October 7, 2004, the VISX board of directors convened a special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, outside counsel to VISX, and a representative of Morrison & Foerster LLP, special counsel to the outside directors, also attended this meeting. Mr. Runkel began by updating the VISX board of directors on the status of the legal due diligence process for the proposed business combination. A representative of Goldman Sachs then updated the VISX board of directors on preliminary discussions between Goldman Sachs and Morgan Stanley concerning the proposed business combination.

On October 12, 2004, Ms. Dávila and Mr. Post traveled to Costa Mesa, California to meet with Mr. Mazzo and Mr. Meier. During this meeting, Mr. Post discussed the VISX business model and organizational structure. The parties also discussed potential cost and revenue synergies to be realized from a strategic combination of the entities.

On October 14, 2004, representatives of AMO and VISX, as well as their respective financial and legal advisors, met at the offices of Wilson Sonsini Goodrich & Rosati, Professional Corporation, in Palo Alto, California to engage in management discussions regarding their respective businesses and operations.

On October 15, 2004, the VISX board of directors convened a special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and a representative of Morrison & Foerster LLP also attended this meeting. During this meeting, Ms. Dávila updated the VISX board of directors regarding the management discussions described above, and the VISX board of directors discussed with counsel the legal due diligence process. Following these discussions the outside directors met in executive session with a representative of Morrison & Foerster LLP.

Also on October 15, 2004, the AMO board of directors convened a special meeting. AMO management updated the AMO board of directors regarding the status of discussions relating to the proposed business combination with VISX. At this meeting, Morgan Stanley reviewed with the AMO board of directors its preliminary financial analysis of the proposed business combination. Representatives of Skadden, Arps, Slate, Meagher & Flom LLP, outside counsel to AMO, outlined the fiduciary duties of the AMO board of directors and various legal and regulatory issues that could arise in connection with the proposed business combination. The AMO board of directors discussed the fact that any transaction that would result in VISX stockholders holding more than 45% of the outstanding shares of AMO common stock following the proposed business combination would trigger a change in control under AMO's stock option plans and employment agreements with AMO management, which would be a negative factor relating to the proposed business combination. The AMO board of directors authorized management to continue discussions with respect to the proposed business combination with VISX, which would include the introduction of a cash component to the proposed consideration.

AMO and VISX subsequently convened a series of meetings from October 15, 2004 through November 8, 2004 among the management teams of AMO and VISX, as well as each of their respective financial and legal

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advisors. During these meetings, each of AMO and VISX performed due diligence on the other to facilitate their ongoing due diligence efforts in connection with the proposed business combination. During this period, Morgan Stanley and Goldman Sachs held a series of discussions regarding the status of due diligence and the potential economic terms of the proposed transaction.

On October 19, 2004, AMO's legal counsel delivered a draft merger agreement to VISX's legal counsel relating to the proposed business combination.

On October 20, 2004, the VISX board of directors convened a special meeting. Mr. Runkel of VISX, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation and a representative of Morrison & Foerster LLP also attended this meeting. During this meeting representatives of Wilson Sonsini Goodrich & Rosati discussed with the VISX board of directors its fiduciary duties as well as future board processes in connection with the board's consideration of the proposed business combination and various legal and regulatory issues that could arise in connection with the business combination.

On October 21, 2004, the VISX board of directors convened another special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and a representative of Morrison & Foerster LLP also attended this meeting. During this meeting, Ms. Dávila updated the VISX board of directors on the status of her discussions with AMO regarding the proposed business combination, including the potential form of the transaction consideration. The VISX board of directors also received an update on the status of the due diligence investigation of AMO, including the financial review being conducted by VISX's management, as assisted by Goldman Sachs, the financial accounting, tax and Sarbanes-Oxley Act financial controls review, the international and domestic legal due diligence review and the regulatory legal review conducted by accounting and legal advisors. The outside directors met in executive session with a representative of Morrison & Foerster LLP.

On October 22, 2004, the AMO board of directors convened a special meeting, at which AMO management provided an update on the status of the due diligence process and the draft merger agreement and an overview of the transaction considerations. At this meeting, Morgan Stanley reviewed its revised preliminary financial analysis of the proposed business combination with VISX. AMO's Organization, Compensation and Corporate Governance Committee discussed the potential negative impact of the change in control provisions in AMO's stock option plans and employment agreements being triggered by VISX stockholders holding more than 45% of the outstanding shares by AMO common stock immediately following completion of the proposed business combination. The AMO board of directors authorized management to continue negotiations with VISX.

From October 22 to October 26, 2004, legal advisors to AMO and VISX held several meetings to negotiate the terms and conditions of the draft merger agreement for the proposed business combination. Additionally, during this time period the parties reached an informal understanding that Ms. Dávila would likely be selected to continue to serve on the board of directors of the combined company and that Mr. Post would continue as an executive officer of the combined company, although no discussions occurred regarding any terms and conditions of Mr. Post's employment.

On October 26, 2004, the VISX board of directors convened a special meeting. Messrs. Post, Bertocci and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and a representative of Morrison & Foerster LLP also attended this meeting. At this meeting, a representative of Goldman Sachs provided the VISX board of directors with an update regarding its discussions with representatives of Morgan Stanley and its preliminary financial analyses of the proposed business combination. Representatives from Wilson Sonsini Goodrich & Rosati, Professional Corporation, then reviewed with the VISX board of directors the proposed terms of the draft merger agreement for the proposed business combination. Also on October 26, 2004, VISX's legal counsel delivered a revised draft of the merger agreement to AMO's legal counsel.

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On October 28, 2004, the parties held a full-day financial due diligence session at the offices of Wilson Sonsini Goodrich & Rosati, Professional Corporation in Palo Alto, California. Representatives of Goldman Sachs and Morgan Stanley attended, as well as Messrs. Bertocci and Post from VISX and Mr. Meier from AMO.

On October 29, 2004, the AMO board of directors convened a special meeting to receive an update from management on the status of negotiations with VISX on the proposed business combination. In addition, representatives of Skadden, Arps, Slate, Meagher & Flom LLP provided a summary of the due diligence conducted on VISX to date and Morgan Stanley provided its updated preliminary financial analyses of the proposed business combination.

On November 1, 2004, the VISX board of directors convened a special meeting at which it received updates from its financial, legal, accounting, tax and regulatory advisors regarding their respective due diligence investigations of AMO. Messrs. Post, Bertocci, Runkel and Allen Russell, Ph.D., Vice President of Regulatory and Clinical Affairs, all representing VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation and representatives of VISX's other legal and accounting advisors also attended this meeting. During this meeting, members of VISX's management and its advisors reviewed their due diligence investigation of AMO and their respective discussions with AMO and its advisors regarding the terms and conditions of the business combination. Mr. Post and Mr. Bertocci reviewed VISX management's view of the strategic rationale for the business combination, discussed the prospects for VISX as a stand-alone entity, the potential operations and risks of the combined entity, financial projections and anticipated synergies expected from the proposed business combination. VISX's accounting advisors then discussed their accounting and tax review of AMO, including a specific discussion of tax matters relating to AMO's spin-off from Allergan and AMO's Sarbanes-Oxley Section 404 compliance efforts. VISX's legal advisors then provided a summary of their international and domestic legal due diligence review of AMO and its operations. Dr. Russell then discussed the findings of VISX's domestic regulatory counsel regarding its regulatory due diligence investigation of AMO. Following the due diligence summaries, a representative of Goldman Sachs then discussed possible structures for, and preliminary financial analyses of, the proposed business combination, after which the directors met in executive session for further discussion. After counsel rejoined the meeting, the VISX board of directors also discussed the proposed terms of the draft merger agreement.

On November 2, 2004, AMO's and VISX's legal advisors continued to negotiate the proposed terms of the draft merger agreement for the proposed business combination.

On the evening of November 2, 2004, representatives of Morgan Stanley on AMO's behalf delivered AMO's proposal to representatives of Goldman Sachs regarding certain key terms of the proposed business combination, which included a proposal that VISX stockholders would receive \$20 of AMO common stock, based on an exchange ratio to be fixed at signing and \$3.50 in cash for each share of VISX common stock, and explained that the proposal reflected an offer AMO believed to be fair in light of the recent decline in VISX's stock price as well as the recent increase in AMO's stock price and reflective of the relative values of the two companies.

On November 3 and 4, 2004, representatives of Goldman Sachs and Wilson Sonsini Goodrich & Rosati, Professional Corporation, had numerous meetings with representatives of Morgan Stanley and Skadden, Arps, Slate, Meagher & Flom LLP to discuss various financial and legal aspects of the proposed business combination. Additionally, Mr. Mazzo and Ms. Dávila discussed the proposed exchange ratio for the merger.

On November 4, 2004, the VISX board of directors convened a special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and a representative of Morrison & Foerster LLP also attended this meeting. During this meeting, a representative of Goldman Sachs provided the VISX board of directors with an update regarding discussions between Goldman Sachs and representatives of Morgan Stanley since receiving the November 2, 2004 proposal, which would have resulted in VISX stockholders receiving approximately 0.507 of a share of AMO common

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stock, based on the price of AMO common stock on November 3, 2004 and \$3.50 in cash for each share of VISX common stock held at completion of the proposed business combination, and VISX stockholders holding an aggregate of approximately 39.2% of the fully diluted shares of AMO common stock immediately after completion of the proposed business combination. The VISX board of directors then discussed the recent decline in VISX's stock price and the recent increase in AMO's stock price relative to the proposal. The Goldman Sachs representative then summarized Goldman Sachs' preliminary financial analysis of the proposed business combination based on different exchange ratios. A representative of Wilson Sonsini Goodrich & Rosati, Professional Corporation, then reviewed the terms of the draft merger agreement with the VISX board of directors, after which the VISX board of directors met in executive session to discuss the AMO proposal and other matters and concluded that the AMO offer did not fully take into account the long-term potential value of the VISX stock and VISX's economic contribution to the combined entity and, therefore, did not provide VISX stockholders with sufficient share ownership of the combined company. The VISX board of directors authorized VISX management to continue negotiations with AMO regarding the terms and conditions of the proposed business combination and authorized Goldman Sachs to communicate a counter proposal to AMO through Morgan Stanley that included a stock exchange ratio of 0.576 shares of AMO common stock and \$3.50 in cash for each share of VISX common stock that would have resulted in VISX stockholders holding approximately 42.5% of the fully diluted shares of AMO common stock immediately after the transaction and receiving \$3.50 in cash for each share of VISX common stock. The VISX board of directors believed that its counterproposal more accurately reflected the long-term potential value of its stock and the economic contribution of VISX to the combined company.

Thereafter, on the evening of November 4, 2004, representatives of Goldman Sachs on VISX's behalf communicated the counterproposal to representatives of Morgan Stanley and continued discussions regarding the terms of the proposed business combination.

On the morning of November 5, 2004, the VISX board of directors convened a special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, a representative of Morrison & Foerster LLP, and VISX's accounting advisors also attended this meeting. During this meeting, VISX's accounting advisors discussed tax matters related to AMO's spin-off from Allergan, after which a representative of Goldman Sachs provided the VISX board of directors with an update on discussions with Morgan Stanley since delivering the VISX counterproposal.

Later in the day on November 5, 2004, the VISX board of directors convened a subsequent special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and a representative of Morrison & Foerster LLP also attended this meeting. During this meeting, a representative of Goldman Sachs updated the VISX board of directors regarding the timing for an expected counterproposal from AMO and discussed the expected counterproposal. A representative of Wilson Sonsini Goodrich & Rosati, Professional Corporation then discussed unresolved areas of the draft merger agreement.

On November 5, 2004, the AMO board of directors convened a special meeting. AMO management updated the AMO board of directors regarding discussions with VISX management with respect to the proposed business combination, summarized outstanding issues and outlined a revised offer to VISX. The AMO board of directors supported management's recommendation for a revised offer based on its belief in the long-term potential value of the VISX stock and analyses of VISX's relative economic contribution to the combined company. AMO management and the AMO board of directors also discussed the terms of a commitment letter received from Morgan Stanley to, among other things, finance the cash component of the merger consideration, if required.

During the evening of November 5, 2004, representatives of Morgan Stanley on AMO's behalf delivered AMO's proposal to representatives of Goldman Sachs, which specified an exchange ratio of 0.552 shares of AMO common stock and \$3.50 in cash for each share of VISX common stock, and that Ms. Dávila would serve on the board of directors of the combined company. Goldman Sachs communicated the proposal to VISX

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management, and indicated that this proposal would result in VISX stockholders holding an aggregate of approximately 41.5% of the fully diluted shares of AMO common stock immediately after completion of the proposed business combination and payment of \$3.50 in cash for each share of VISX common stock.

On November 6, 2004, the parties' legal advisors continued negotiations on the draft merger agreement for the proposed business combination throughout the day. VISX's legal counsel then distributed to AMO and its legal advisor a revised draft of the merger agreement, reflecting the then-current state of negotiations.

On November 7, 2004, the VISX board of directors convened a special meeting. Messrs. Post and Runkel of VISX, representatives of Goldman Sachs, representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and a representative of Morrison & Foerster LLP also attended this meeting. During this meeting, a representative of Goldman Sachs provided the VISX board of directors with a summary of the AMO proposal dated November 5, 2004. A Goldman Sachs representative then reviewed certain aspects of the proposed business combination, including the proposed consideration to be received by VISX stockholders and the strategic objectives of VISX. The representative also summarized Goldman Sachs' preliminary financial analysis of the business combination based on the proposed consideration described above, after which the VISX board of directors met in executive session and discussed the proposal, including the valuation of VISX and the premium it represented to VISX's stock price. Additionally, the VISX board of directors discussed the potential effects of the business combination on AMO and the value of its stock after the merger given that the proposal contemplated that VISX's stockholders would receive a substantial portion of their consideration in AMO common stock. Following the executive session of the VISX board of directors, a representative of Wilson Sonsini Goodrich & Rosati, Professional Corporation reviewed the terms of the draft merger agreement with the VISX board of directors, including, among other things, the issues that remained unresolved.

On the morning of November 8, 2004, AMO's legal advisors delivered a revised draft of the merger agreement to VISX's legal counsel. The parties' legal advisors then continued negotiations on the draft merger agreement throughout the day.

Later that day, on November 8, 2004, the AMO board of directors convened a special meeting. AMO management provided the AMO board of directors with a summary of discussions with VISX since the November 5, 2004 meeting and Morgan Stanley reviewed its updated preliminary financial analyses of the proposed business combination. Representatives of Skadden, Arps, Slate, Meagher & Flom LLP reviewed the proposed merger agreement, provided a summary of the progress in negotiating its definitive terms and highlighted open items that had not yet been resolved between the parties. Later that evening AMO's legal counsel distributed to the parties and their legal advisors another revised draft of the merger agreement, reflecting the then current state of negotiations.

On November 9, 2004, the VISX board of directors convened a special meeting to consider approval of the merger agreement. Prior to the meeting, the members of the VISX board of directors were provided with a substantially final draft of the merger agreement as well as a summary of the draft merger agreement. During the meeting, a representative of Wilson Sonsini Goodrich & Rosati, Professional Corporation, advised the directors of their fiduciary duties in considering the business combination and described the structure of the merger and the provisions of the merger agreement. Representatives of Goldman Sachs presented their financial analyses of the business combination and delivered Goldman Sachs' oral opinion, subsequently confirmed in writing that, as of November 9, 2004 and based upon and subject to the factors and assumptions set forth in its written fairness opinion, the merger consideration to be received by holders of VISX common stock, taken in the aggregate, pursuant to the merger agreement is fair from a financial point of view to such holders. Following a discussion, the VISX board of directors unanimously determined that the merger was advisable, and fair to and in the best interests of VISX and its stockholders, approved the merger agreement and the proposed merger, resolved to recommend that the VISX stockholders vote to approve and adopt the merger agreement and approve the merger.

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On November 9, 2004, the AMO board of directors convened a special meeting during which AMO management gave the AMO board of directors a further update as to the status of negotiations with VISX,

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indicating that the open items discussed at the prior meeting were close to resolution. At this meeting, Morgan Stanley rendered its oral opinion, and subsequently confirmed in writing, that as of that date, and based upon and subject to the considerations described in its opinion and based upon such other matters as Morgan Stanley considered relevant, the merger consideration to be paid by AMO pursuant to the merger agreement was fair to AMO from a financial point of view. Following the presentation by Morgan Stanley, the AMO board of directors unanimously approved the merger agreement and the transactions contemplated thereby and unanimously resolved to recommend that the AMO stockholders approve the issuance of shares of AMO common stock in the merger.

Following the meetings of the board of directors of each of AMO and VISX and following the closing of trading on the NYSE, AMO and VISX executed the merger agreement as of November 9, 2004. During the afternoon of November 9, 2004, AMO and VISX then issued a joint press release announcing the execution of the merger agreement and the proposed merger.

Recommendation of the AMO Board of Directors

The AMO board of directors believes there are substantial benefits to AMO and the AMO stockholders that can be obtained as a result of the merger. If the merger is completed, the AMO board of directors believes that the acquisition of VISX will combine two highly complementary companies with a broad range of superior technologies and a singular focus on serving the vision care needs of practitioners and patients around the world. At a meeting held on November 9, 2004, the AMO board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement, including the issuance of AMO common stock in the merger, are advisable and in the best interests of AMO and the AMO stockholders. Therefore, the AMO board of directors resolved to recommend that the AMO stockholders approve the issuance of shares of AMO common stock in the merger.

The AMO board of directors consulted with AMO senior management as well as its legal counsel, Skadden, Arps, Slate, Meagher & Flom LLP, and its financial advisor, Morgan Stanley, in reaching its decisions to approve and adopt the merger agreement and the transactions contemplated by the merger agreement, and unanimously recommends that AMO stockholders vote to approve the issuance of shares of AMO common stock in the merger. Particularly persuasive among the factors considered by the AMO board of directors in its deliberations were the reasons for the merger described in the section entitled "Reasons for the Merger" beginning on page 64 of this joint proxy statement/prospectus. The AMO board of directors also considered each of the following factors in its deliberations:

information concerning the financial performance, financial condition, business and prospects of AMO and VISX, as well as conditions in the ophthalmic medical device industry generally;

information concerning the recent and past stock price performance of AMO and VISX common stock, as well as the views of Wall Street equity analysts regarding the two companies;

the prices paid in comparable transactions involving other ophthalmic medical device companies, as well as the trading performance of the stock of comparable companies in the industry;

the largely stock-based merger consideration, which preserves AMO's financial strength for continued business investment;

the fixed exchange ratio and cash merger consideration amount, which provide a level of certainty as to the aggregate number of shares of AMO common stock to be issued to VISX stockholders and the percentage of the total shares of AMO common stock that current VISX stockholders will own after the merger;

the provisions that prohibit VISX from soliciting other acquisition offers;

the conditions to consummation of the merger, in particular the likelihood of obtaining the necessary regulatory and stockholder approvals;

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the provisions that require VISX to pay AMO expenses in the amount of \$8 million or a break-up fee of \$45 million if the merger agreement is terminated for specified reasons;

an assessment of alternatives to the merger, including development opportunities and other possible acquisition candidates, and the determination that the acquisition of VISX was a strategic fit and presented a unique opportunity to enhance and expand AMO operations, product and service offerings and position for future growth; and

the written opinion of Morgan Stanley dated November 9, 2004, that, as of that date, and based upon and subject to the considerations described in its opinion, the full text of which is attached to this joint proxy statement/prospectus as Annex G, the merger consideration to be paid by AMO pursuant to the merger agreement was fair from a financial point of view to AMO.

The AMO board of directors also considered the following factors, uncertainties and risks in its deliberations concerning the merger. However, the AMO board of directors concluded that these risks were outweighed by the potential benefits of the merger:

the incremental debt associated with the merger could cause AMO to have reduced financial flexibility;

the risk that the potential benefits sought in the merger might not be fully realized;

the possibility that the merger might not be completed, or that completion might be unduly delayed, for reasons beyond AMO's control;

the possibility that the merger might not be completed and that in certain circumstances, AMO might be required to pay VISX expenses in the amount of \$8 million or a break-up fee of \$45 million;

the effect of the public announcement of the merger on AMO's and VISX's stock prices;

the potential dilution of AMO earnings per share as a result of the issuance of the shares in the merger, and the estimated time period for the merger to be accretive to AMO's earnings per share;

the risk that AMO management's efforts to integrate VISX will disrupt AMO's operations;

the substantial charges to be incurred in connection with the merger, including the costs of integrating the businesses of AMO and VISX and the transaction expenses arising from the merger;

the risk that, despite AMO's efforts and the efforts of VISX after the merger, the combined company may lose key personnel;

the restrictions on the conduct of AMO's business during the period between the signing of the merger agreement and the completion of the merger; and

the other risks described in the section entitled "Risks Relating to the Merger" beginning on page 22.

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It was not practical to, and thus the AMO board of directors did not, quantify, rank or otherwise assign relative weights to the wide variety of factors it considered in evaluating the merger and the merger agreement, nor did the board determine that any one factor was of particular importance in deciding that the merger agreement and associated transactions were in the best interests of AMO and its stockholders. This discussion of information and material factors considered by the AMO board of directors is intended to be a summary rather than an exhaustive list. In considering these factors, individual members of the AMO board of directors may have given different weight to different factors. The board conducted an overall analysis of the factors described above, and overall considered the factors to support its decision in favor of the merger and the merger agreement. The decision of each member of the AMO board of directors was based upon his or her own judgment, in light of all of the information presented, regarding the overall effect of the merger agreement and associated transactions on the AMO stockholders as compared to any potential alternative transactions or courses of action. After considering this information, all members of the AMO board of directors unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the issuance of AMO common stock in the merger and recommended that the AMO stockholders approve the issuance of shares of AMO common stock in the merger.

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On the basis of the foregoing, the AMO board of directors unanimously recommends that AMO stockholders vote FOR the proposal to approve the issuance of shares of AMO common stock in the merger.

Recommendation of the VISX Board of Directors

At a special meeting of the VISX board of directors held on November 9, 2004, the VISX board of directors unanimously:

determined that the merger is advisable, and is fair to and in the best interests of VISX and its stockholders;

approved the merger agreement;

directed that approval and adoption of the merger agreement and approval of the merger be submitted for consideration by VISX stockholders at a VISX special meeting; and

resolved to recommend that the VISX stockholders vote FOR the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

In reaching its decision to approve the merger agreement, the VISX board of directors held discussions with representatives of Goldman Sachs, its financial advisor, regarding the past and current business operations, financial condition and future prospects of VISX and AMO, as well as other financial matters. The VISX board of directors also relied on the expertise of Goldman Sachs for quantitative analysis of the financial terms of the merger and consulted with them regarding the fairness, from a financial point of view, to the holders of VISX common stock of the merger consideration to be received by them in the merger. The VISX board of directors also consulted with management, its special accounting and tax advisor and its legal advisors in connection with the merger. Particularly persuasive among the factors considered by the VISX board of directors in its deliberations were the reasons for the merger described in the section entitled "Reasons for the Merger" beginning on page 64 of this joint proxy statement/prospectus. The VISX board of directors also considered each of the following factors in its deliberations:

the fact that the value of the merger consideration, based on the then-current market price for VISX common stock, will provide an opportunity for VISX stockholders to receive a significant premium over the trading value of VISX common stock on November 8, 2004, the last trading day before public announcement of the proposed merger, and also over the average trading value of VISX common stock in recent historical periods;

the fact that the fixed exchange ratio for the stock portion of the merger consideration provides certainty as to the number of shares of AMO common stock to be issued to VISX stockholders and the percentage of shares of AMO common stock that current VISX stockholders will own as a group after the merger;

the fact that VISX stockholders will receive the majority of the merger consideration in stock, which provides them with an opportunity to participate in the potential growth of the combined company following the merger as stockholders of AMO;

the fact that VISX stockholders will receive a portion of the consideration in cash, which provides them with a measure of certainty of value despite stock market or industry volatility compared to a transaction in which they would receive all stock or other non-cash consideration;

the fact that the merger is structured such that VISX stockholders will not be immediately taxed on the stock component of the merger consideration and the requirement under the merger agreement to adjust the stock component of the merger consideration to preserve such tax treatment;

the financial analyses and presentations by Goldman Sachs, and its oral opinion, subsequently confirmed in writing that, as of November 9, 2004, and based upon and subject to the factors and assumptions set forth in its written fairness opinion, the full text of which is attached to this joint proxy

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statement/prospectus as Annex H, the merger consideration to be received by holders of VISX common stock, taken in the aggregate, pursuant to the merger agreement is fair from a financial point of view to such holders;

the fact that VISX stockholders will have the opportunity to vote upon the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement;

the conditions to consummation of the merger, in particular the likelihood of obtaining the necessary regulatory and stockholder approvals, and the likelihood that the merger will be completed;

reports from management, legal, accounting, tax and financial advisors as to the results of the due diligence investigation of AMO;

current financial market conditions and historical market prices, volatility and trading information with respect to VISX common stock;

the prospects for VISX's growth and profitability as a stand-alone company, and the risks of such growth and profitability; and

the interests that certain executive officers and directors of VISX may have with respect to the merger. See "The Merger - Interests of Executive Officers and Directors of VISX in the Merger" beginning on page 86.

In addition, the VISX board of directors also identified and considered a variety of potentially negative factors in its deliberations concerning the merger, including, but not limited to:

the effect of the public announcement of the merger, and the possibility that the merger might not be completed, on demand for VISX's products and services, VISX's operating results, VISX's stock price and VISX's ability to attract and retain key management and marketing, sales, technical and other personnel;

the risk that the potential benefits sought in the merger might not be fully realized;

the challenges of integrating the management teams, strategies, cultures and organizations of the companies;

the limitations on the right of VISX to pursue alternative transactions that could conflict with the merger, including the possible effect of the expense and break-up fee provisions in the merger agreement; and

other applicable risks described in the section entitled "Risks Relating to the Merger" beginning on page 22.

The VISX board of directors concluded, however, that these negative factors could be managed or mitigated by VISX or by AMO or were unlikely to have a material impact on the merger or AMO after the merger, and that, overall, the potentially negative factors associated with the merger were outweighed by the potential benefits of the merger.

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The above discussion of material factors considered by the VISX board of directors is not intended to be exhaustive, but does set forth the principal factors considered by the VISX board of directors. The VISX board of directors collectively reached the unanimous conclusion to approve the merger agreement and the merger in light of the various factors described above and other factors that each board member felt were appropriate. In view of the wide variety of factors considered by the VISX board of directors in connection with its evaluation of the merger and the complexity of these matters, the VISX board did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Rather, the VISX board of directors made its recommendations based on the totality of the information presented to and the investigation conducted by it, and the judgments of individual members of the board of directors may have been influenced to a greater or lesser degree by different factors.

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On the basis of the foregoing, the VISX board of directors unanimously recommends that VISX stockholders vote FOR the approval and adoption of the merger agreement and the merger contemplated by the merger agreement.

Reasons for the Merger

AMO and VISX believe the merger presents a unique opportunity to create a combined entity that will be able to compete more effectively in the refractive surgical sector, while simultaneously creating a company with a diverse product base that can compete in the broader ophthalmic medical device industry. The AMO and VISX boards of directors and their respective management teams each analyzed numerous alternative strategies to address their respective risks and challenges as stand-alone entities. See the section entitled *Background of the Merger* beginning on page 52. After reviewing and debating their respective strategic alternatives and the opportunity for the combined company presented by the merger, as more fully described below, the AMO and VISX boards of directors each determined to pursue the merger in lieu of the other alternatives because both believe the merger will create a combined company that will be able to achieve the strategic and financial benefits described below.

The AMO and VISX boards of directors each identified the following anticipated strategic and financial benefits of the merger:

Leadership in High-Growth Refractive Surgical Sector. The combined company is expected to take a leadership position in the high-growth refractive surgical sector. AMO will contribute its refractive IOL technologies and its Amadeus-brand microkeratomes to VISX's leading installed base of excimer laser technology and, together, the combined entity will be able to offer refractive and cataract surgeons a full suite of laser and accommodative lens products, including a wide choice of premium brand name IOLs, viscoelastics, lasers, microkeratomes and phacoemulsification equipment.

Increased International Sales Opportunities. The combined company is expected to build upon VISX's leading position in the United States laser refractive surgery sector by using AMO's global infrastructure and distribution network to generate additional international revenues from sales of VISX Custom Vue systems.

Increased Cross-Selling Opportunities. AMO and VISX will form a global, diversified company that will be able to take advantage of previously unavailable cross-selling opportunities among the expanded customer base.

Enhanced Revenues and Growth. With its expanded customer base, increased international sales and cross-selling opportunities, the combined entity is expected to have significant earnings growth potential and significantly greater revenues than either of AMO or VISX as stand-alone entities.

Enhanced Research and Development Opportunities. The combined company will have greater technical expertise and financial resources to devote to research and development, consistent with each party's focus on building stockholder value by pursuing technological leadership through continuous innovation. By pooling the resources and skills of both AMO and VISX, the combined company will be better able to deliver new refractive technologies and confront the challenges in the path of meeting the tremendous unmet need from presbyopia.

Customer Support Synergies. The combined company is expected to benefit from VISX's industry-leading customer support and training. VISX's field service capabilities can be utilized across the existing AMO organization.

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Increased Economic Resilience. The combined company is expected to be better able than VISX or AMO to withstand the vagaries of economic cycles because of its broader range of product offerings.

Reduction in Operating Costs. The combined company is expected to generate a minimum of annualized cost savings of at least \$10 million, providing the combined company with a stronger, more efficient operating model than either company could achieve on its own.

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There can be no assurance that the anticipated strategic and financial benefits of the merger will be achieved, including that the net present value of the combined entity's anticipated cost savings resulting from the merger will be reflected in the trading price of AMO common stock following the completion of the merger.

Opinion of AMO's Financial Advisor

AMO retained Morgan Stanley to provide financial advice and assistance, including a financial fairness opinion, to the AMO board of directors in connection with the transaction. The AMO board of directors selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise, reputation and its knowledge of the business of AMO. At the meeting of the AMO board of directors on November 9, 2004, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that as of November 9, 2004, and based upon and subject to the assumptions, qualifications and limitations set forth therein, the merger consideration to be paid by AMO in the proposed merger was fair from a financial point of view to AMO.

The full text of Morgan Stanley's opinion, dated November 9, 2004, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the reviews undertaken in rendering its opinion is attached to this joint proxy statement/prospectus as Annex G. The summary of Morgan Stanley's fairness opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion. AMO stockholders should read this opinion carefully and in its entirety. Morgan Stanley's opinion is directed to the AMO board of directors and addresses only the fairness from a financial point of view of the merger consideration to be paid by AMO pursuant to the merger agreement as of the date of the opinion. Morgan Stanley's opinion does not constitute a recommendation to any AMO stockholder as to how such stockholder should vote with respect to the proposed transaction.

In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of VISX and AMO, respectively;

reviewed certain internal financial statements and other financial and operating data concerning VISX and AMO, prepared by senior executives of VISX and AMO, respectively;

discussed the past and current operations and financial condition and the prospects of VISX and AMO with senior executives of VISX and AMO, respectively;

discussed certain strategic, financial and operational benefits anticipated from the merger with senior executives of VISX and AMO;

reviewed certain financial forecasts of VISX, including certain sensitivity cases, prepared based on discussions with the management of AMO;

reviewed the pro forma impact of the merger on AMO's earnings per share, consolidated capitalization and financial ratios;

reviewed the reported prices and trading activity for the VISX common stock and the AMO common stock;

compared the financial performance of VISX and AMO and the prices and trading activity of the VISX common stock and the AMO common stock, respectively, with that of certain other comparable publicly-traded companies and their securities;

discussed the strategic rationale for the merger with senior executives of VISX and AMO;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

participated in discussions and negotiations among representatives of VISX and AMO and their financial and legal advisors;

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reviewed copies of AMO's debt financing commitment letters, dated November 8, 2004, from Morgan Stanley Senior Funding, Inc.;

reviewed the draft merger agreement and certain related documents; and

performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by it for the purposes of its opinion. With respect to the financial projections of VISX and information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of VISX and AMO. With respect to the financial projections of AMO, Morgan Stanley relied on publicly available estimates of equity research analysts who cover AMO. Morgan Stanley also relied upon, without independent verification, the assessment of the management of AMO of VISX's technologies, products and intellectual property and the validity of, and risks associated with, VISX's existing and future technologies, products and intellectual property, including the timing and scope of any associated risks or benefits. Furthermore, Morgan Stanley relied upon the assessment by management of AMO and VISX of their ability to retain key employees of VISX. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of VISX or AMO, nor has it been furnished with any such appraisals. In addition, Morgan Stanley is not a regulatory or legal expert and instead relied on the assessment of regulatory and legal advisors to VISX and AMO in connection with such issues. Morgan Stanley has assumed that the merger agreement will be consummated in accordance with the terms set forth therein without material modification or waiver, including, among other things, that the merger will be treated as a tax-free reorganization, pursuant to the Internal Revenue Code and that all necessary regulatory consents will be obtained. In addition, Morgan Stanley also assumed that the financing of the merger would be consummated on the terms described in the commitment letter. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, November 9, 2004.

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion, dated November 9, 2004. Some of these summaries include information in tabular format. In order to understand fully the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses.

Historical Share Price Analysis. Morgan Stanley reviewed the historical trading prices and daily trading volume for the VISX common stock for the twelve month period ended November 8, 2004. Morgan Stanley noted that during the same twelve month period the price per share of VISX common stock ranged from \$15.50 to \$26.80. Morgan Stanley noted that the closing price per share of VISX common stock as of November 8, 2004 was \$16.91 and that the implied merger consideration was \$26.52, based on a closing price per share of AMO common stock of \$41.70 on November 8, 2004.

Comparable Company Analysis. Morgan Stanley reviewed and analyzed certain public market trading multiples for public companies similar to VISX from a size, business mix and geographic perspective and derived an implied value for VISX based on this information. The comparable companies operate within the ophthalmic medical device industry and develop, manufacture and market medical devices that compete with AMO and VISX in the segments of cataract and refractive surgery, contact lens, eye care, eye care products and glaucoma. The multiples analyzed for these comparable companies included aggregate market value (defined as public equity market value plus total book value of debt, total book value of preferred stock and minority interest less cash and other short term investments) divided by estimated 2005 earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA, common stock price divided by estimated 2005 earnings per share, and common stock price divided by estimated 2005 earnings per share divided by estimated

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five-year long-term growth rate ratios. Morgan Stanley calculated the financial multiples and ratios based on publicly available financial data as of November 8, 2004. The estimates of 2005 EBITDA for the comparable companies were based on selected Wall Street equity research reports. The estimates of 2005 earnings per share and estimated five-year long-term growth rates were based on the Institutional Brokers Estimate System. For purposes of its analysis, Morgan Stanley identified the following five publicly traded corporations in the ophthalmic medical device industry:

Alcon Inc.;

Advanced Medical Optics, Inc.;

Bausch & Lomb Inc.;

The Cooper Companies, Inc.; and

Ocular Sciences Inc.

A summary of the reference range of market trading multiples that Morgan Stanley used are set forth below:

	Reference Range of Multiples
Aggregate Value / 2005E EBITDA	10.5x - 13.5x
Price / 2005E Earnings Per Share	19.0x - 23.0x
(Price / 2005E Earnings Per Share)/Five-Year Long-Term Growth Rate	1.2x - 1.3x

Using these representative reference ranges of multiples, Morgan Stanley calculated an implied valuation range for VISX by applying the reference ranges of multiples to the applicable VISX operating statistic based on information publicly available in Wall Street equity research reports. Based on such analysis, Morgan Stanley calculated an implied valuation range for VISX common stock of \$19.56 to \$25.48 per share. Morgan Stanley noted that the implied merger consideration based on the closing price per share of AMO common stock on November 8, 2004 was \$26.52.

Although the foregoing ophthalmic medical device companies were compared to VISX for purposes of this analysis, Morgan Stanley noted that no company utilized in this analysis is identical to VISX because of differences between the business mix, operations, and other characteristics of VISX and the comparable companies. In evaluating the comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of VISX, such as the impact of competition on the business of VISX and the industry in general, potential industry growth and the absence of any adverse material change in the financial condition and prospects of VISX or the industry or the markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using comparable company data.

Discounted Analyst Price Targets. Morgan Stanley reviewed available estimates of the target price for VISX common stock published by Wall Street equity research analysts as of November 8, 2004 to derive an implied value for VISX based on these publicly available estimates. Morgan Stanley discounted the Wall Street analyst price targets for one year at VISX's estimated cost of equity capital of approximately 11%, based on

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the capital asset pricing model, a theoretical financial model that estimates the cost of equity capital of a particular company based on such company's beta. A company's beta is a metric designed to represent the systemic business risk and financial risk of such company versus the overall market. Based on the foregoing analysis, the Wall Street analyst price targets yielded an implied valuation of VISX common stock of \$17.15 to \$22.56. Morgan Stanley noted that the implied merger consideration based on closing price per share of AMO common stock on November 8, 2004 was \$26.52.

Precedent Transactions Analysis. Morgan Stanley compared publicly available information for selected transactions to the relevant financial statistics for VISX based on publicly available Wall Street equity research

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estimates and derived an implied value for VISX based on this information. The group of transactions consisted of seven selected ophthalmic medical device transactions within the segments of refractive surgery/vision correction, cataract surgery and contact lens/eye care. For each transaction, Morgan Stanley analyzed, as of the announcement date of each transaction, the multiples implied by the transaction value of (i) aggregate value to the acquired company's forward sales, (ii) aggregate value to the acquired company's forward earnings before interest and taxes, which is referred to as EBIT, and (iii) price to the acquired company's forward earnings per share. In each case, Morgan Stanley applied such multiples to the applicable VISX operating statistic based on publicly available information. The following table sets forth the acquisition transactions that were reviewed in connection with this analysis:

Summit Autonomous/Alcon Holdings (Nestle);

Pfizer Surgical Business/Advanced Medical Optics;

Ocular Sciences/Cooper Companies;

Eye Care Ops (Biocompatibles)/Cooper Companies;

Wesley Jessen VisionCare, Inc./Novartis;

Wesley Jessen VisionCare, Inc./Bausch & Lomb; and

Ocular Sciences/Wesley Jessen VisionCare, Inc.

Morgan Stanley then derived from these selected transactions reference ranges of (i) forward sales multiples of 7.0x to 8.0x, (ii) forward EBIT multiples of 13.0x to 15.0x, and (iii) forward earnings per share multiples of 20.0x to 22.0x. In applying these ranges of multiples to the relevant VISX statistic based on Wall Street equity research estimates, Morgan Stanley calculated an implied valuation range for VISX common stock of \$19.60 to \$30.22 per share.

In addition, Morgan Stanley also analyzed the premium paid to the acquired company in the transactions referenced above to the one-day prior and thirty-day prior unaffected stock price of the acquired company. Morgan Stanley then derived a reference range of premiums to the one-day prior unaffected acquired company price of 20% to 50% and premiums to the thirty-day prior unaffected acquired company price of 15% to 40%, and applying these ranges to VISX common stock prices one and thirty-days prior to November 9, 2004, Morgan Stanley calculated an implied valuation range for VISX common stock of \$20.29 to \$26.47.

Morgan Stanley also analyzed approximately thirty precedent transactions across all industries in which stockholders of the acquired company retained a relatively high ownership percentage of the pro forma company, and calculated the premium paid to the one-day unaffected price and the thirty-day average historical exchange ratio, measured prior to the public announcement of such transactions. Morgan Stanley developed a reference range of premiums paid to the one-day unaffected price and the thirty-day average exchange ratio of 15% to 30% and 30% to 50%, respectively. By applying these ranges of premiums to the thirty-day average exchange ratio derived from the quotient obtained by dividing the VISX common stock price by the AMO common stock price and then multiplying such quotient by the AMO common stock price as of November 8, 2004, Morgan Stanley calculated an implied valuation range for VISX common stock of \$19.45 to \$30.64. Morgan Stanley noted that the implied merger consideration based on the closing price per share of AMO common stock on November 8, 2004 was \$26.52.

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Morgan Stanley noted that the merger and acquisition transaction environment varies over time because of macroeconomic factors such as interest rate and equity market fluctuations and microeconomic factors such as industry results and growth expectations. Morgan Stanley noted that no company or transaction reviewed was identical to the proposed transactions and that, accordingly, these analyses involve complex considerations and judgments concerning differences in financial and operating characteristics of VISX and other factors that would affect the acquisition values in the comparable transactions, including the size and demographic and economic

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characteristics of the markets of each company and the competitive environment in which it operates. Mathematical analyses (such as determining the average or median) is not in itself a meaningful method of using comparable transaction data.

Discounted Equity Value Analysis. Morgan Stanley performed an analysis of the implied present value per share of VISX common stock on a stand-alone basis based on VISX's projected future equity value using the fiscal year 2005, 2006 and 2007 estimates provided by VISX management as well as based on similar estimates from published Wall Street equity research reports. To calculate the discounted equity value, Morgan Stanley multiplied the applicable VISX earnings estimate by the next calendar year multiple range of 19.0x to 23.0x, based on the reference range derived from the comparable company analysis, and discounted the implied nominal equity values of VISX to a present value at an illustrative discount rate of 11%, which reflected the VISX average cost of equity capital. Based on the aforementioned projections and assumptions, Morgan Stanley derived an implied valuation range for VISX common stock of \$18.62 to \$23.62 and \$21.25 to \$31.13, using Wall Street equity research estimates and VISX management estimates, respectively. Morgan Stanley noted that the implied merger consideration based on the closing price per share of AMO common stock on November 8, 2004 was \$26.52.

Discounted Cash Flow Analysis. Morgan Stanley performed a five year discounted cash flow analysis, which is designed to represent the value of a company based on its future cash flows and expenses and the riskiness of achieving such projections, of the after-tax unlevered free cash flows derived from VISX for fiscal years 2005 through 2009, which included estimates of synergies. Morgan Stanley performed this analysis based on the following projections: (i) financial forecasts and estimates provided by VISX management, (ii) Wall Street research estimates adjusted based on guidance from AMO management, and (iii) a downside case which reflected adjustments to the financial forecasts and estimates provided by VISX management based on discussions with AMO management. Morgan Stanley estimated a range of terminal values calculated in 2009 based on a range of forward EBITDA multiples of 10.5x to 13.5x. Morgan Stanley then discounted the unlevered free cash flow streams and the estimated terminal value to a present value at a range of discount rates from 10.0% to 12.0%, based on VISX's estimated weighted average cost of capital. In addition, Morgan Stanley included the value of the estimated synergy benefits expected through the proposed transaction as developed by the management of AMO based upon discussions with the management of VISX.

Based on the aforementioned projections and assumptions, the discounted cash flow analysis of VISX yielded an implied valuation range of:

	Implied Value Range per Share
	of VISX Common Stock
VISX Management Estimates	\$29.35 - \$43.85
Adjusted Wall Street Research Estimates	\$19.11 - \$30.06
Downside Case	\$18.85 - \$29.62

Morgan Stanley noted that the implied merger consideration based on the closing price per share of AMO common stock on November 8, 2004 was \$26.52.

Pro Forma Impact to AMO. Morgan Stanley analyzed the pro forma impact of the transaction on AMO's operating statistics, credit/capitalization statistics and projected earnings per share in 2005 through 2009 as published by Wall Street equity analysts. Morgan Stanley's analysis indicated that after payment of the merger consideration, that the merger would reduce AMO's total debt divided by EBITDA ratio and total debt divided by total book capitalization, and increase the EBITDA divided by total interest ratio and free cash flow divided by total debt ratio. Morgan Stanley's analysis also indicated that the merger would improve AMO's revenue, EBITDA, and free cash flow growth from 2005 through 2009 and it would increase AMO's EBITDA margin from 2005 to 2009. Furthermore, Morgan Stanley's analysis indicated that the merger is dilutive to AMO's estimated earnings per share in 2005 and accretive to estimated earnings per share in 2006 through 2009 based on

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generally accepted accounting principles, which include the annual non-cash intangible asset amortization expenses incurred in the merger, as estimated by the management of AMO. Morgan Stanley noted that the merger is accretive to AMO's estimated cash earnings per share, which exclude the annual non-cash intangible amortization expenses incurred in the merger, in 2005 through 2009. Morgan Stanley also noted that it had included the estimated impact to operating income of the annual cost and revenue synergy benefits that ranged from \$22 million to \$74 million during the period from 2005 to 2009 expected through the proposed merger as developed by the management of AMO based upon discussions with the management of VISX when it reviewed the pro forma impact of the merger to AMO.

In connection with review of the transaction by the AMO board of directors, Morgan Stanley performed a variety of financial and comparable analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not susceptible to partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered. Furthermore, Morgan Stanley believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of the analyses, without considering all of them, would create an incomplete view of the process underlying Morgan Stanley's analyses and opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Morgan Stanley with respect to the actual value of VISX common stock.

In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Morgan Stanley. Any estimates contained in the analyses of Morgan Stanley are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were prepared solely as part of the analyses of Morgan Stanley of the fairness of the merger consideration to be paid by AMO to holders of shares of VISX common stock pursuant to the merger agreement, from a financial point of view, and were prepared in connection with the delivery by Morgan Stanley of its opinion, dated November 9, 2004, to the AMO board of directors.

The opinion of Morgan Stanley was one of many factors taken into consideration by the AMO board of directors in making its determination to approve the proposed transaction. The foregoing summary does not purport to be a complete description of the analyses performed by Morgan Stanley.

The AMO board of directors selected Morgan Stanley as its financial advisor because of its reputation as an internationally recognized investment banking and advisory firm with substantial experience in transactions similar to this proposed transaction and because Morgan Stanley is familiar with AMO and its business. As part of its investment banking and financial advisory business, Morgan Stanley is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Morgan Stanley provides a full range of financial advisory and securities services and in the past, has provided financial advisory and financing services to AMO and has received fees for the rendering of such services and also may provide such services to AMO in the future for which it would expect to receive fees. In addition, Morgan Stanley is a full service securities firm engaged in securities trading, investment management and brokerage services. In the ordinary course of its trading, brokerage, investment management and financing activities, Morgan Stanley or its affiliates may actively trade the equity and debt securities and senior loans of VISX and AMO for its own accounts or for the accounts of its customers and, accordingly, may at any time hold long or short positions in such securities or loans.

Pursuant to an engagement letter dated October 4, 2004, AMO has agreed to pay Morgan Stanley a transaction fee in connection with the Merger equal to 0.75% of the aggregate value of the transaction, provided,

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however, that under no circumstances shall the transaction fee exceed \$11.5 million. In addition, \$2 million of the transaction fee was payable upon the announcement of the transaction, with the remaining portion of which is contingent upon the completion of the merger. AMO has also agreed to reimburse Morgan Stanley for its fees and expenses incurred in performing its services. Morgan Stanley also provided a loan commitment to AMO in connection with the merger, and AMO has agreed to pay Morgan Stanley fees equal to approximately \$2 million in connection with such commitment and subsequent loan. In addition, AMO has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement and any related transactions.

Morgan Stanley has also provided certain investment banking services to AMO over the past two years from the date of the opinion, including having acted as:

Joint bookrunner with respect to the offering of AMO's \$350 million of 2.50% convertible senior subordinated notes due 2024 in June 2004;

Joint bookrunner with respect to the offering of AMO's \$140 million of 3.5% convertible senior subordinated notes due 2023 in June 2003; and

Participant in \$100 million senior credit facility due 2007 in June 2003.

In connection with such transactions, Morgan Stanley received fees of approximately \$4 million.

Opinion of VISX's Financial Advisor

Goldman Sachs rendered its opinion to the VISX board of directors that, as of the date of the written fairness opinion and based upon and subject to the factors and assumptions set forth therein, the consideration to be received by holders of VISX common stock, taken in the aggregate, pursuant to the merger agreement is fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated November 9, 2004, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex H. Goldman Sachs provided its opinion for the information and assistance of the VISX board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of VISX common stock should vote with respect to the merger.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

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annual reports to stockholders and Annual Reports on Form 10-K of VISX for the five years ended December 31, 2003;

annual reports to stockholders and Annual Reports on Form 10-K of AMO for the two years ended December 31, 2003;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of VISX and AMO;

certain other communications from VISX and AMO to their respective stockholders; and

certain internal financial analyses and forecasts for VISX prepared by VISX management; certain internal financial analyses and forecasts for AMO prepared by AMO management, as adjusted by VISX management; and certain cost savings and operating synergies projected to result from the merger prepared by the managements of VISX and AMO and subsequently adjusted by VISX management.

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Goldman Sachs also held discussions with members of the senior management of VISX and AMO regarding their assessment of the strategic rationale for, and the potential benefits of, the merger and the past and current business operations, financial condition, and future prospects of their respective companies. In addition, Goldman Sachs reviewed the reported price and trading activity for the VISX common stock and the AMO common stock, compared certain financial and stock market information for VISX and AMO with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the medical device industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

Goldman Sachs relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it and assumed such accuracy and completeness for purposes of rendering the opinion described above. In that regard, Goldman Sachs assumed with VISX's consent that the internal financial analyses and forecasts for VISX prepared by VISX management, the internal financial analyses and forecasts for AMO prepared by AMO management as adjusted by VISX management and the cost savings and operating synergies projected to result from the merger prepared by the managements of VISX and AMO and subsequently adjusted by VISX management have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of VISX. Goldman Sachs also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger contemplated by the agreement will be obtained without any adverse effect on VISX or AMO or on the expected benefits of the merger in any way meaningful to Goldman Sachs' analysis. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of VISX or AMO or any of their respective subsidiaries, nor was any evaluation or appraisal of the assets or liabilities of VISX or AMO or any of their respective subsidiaries furnished to Goldman Sachs. Goldman Sachs' opinion does not address the underlying business decision of VISX to engage in the merger. In addition, Goldman Sachs did not express any opinion as to the prices at which shares of AMO common stock will trade at any time.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the VISX board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before November 8, 2004 and is not necessarily indicative of current market conditions.

Historical Stock Trading Analysis. Goldman Sachs reviewed the historical trading prices and volumes for the VISX common stock for the three-year period ended November 8, 2004. In addition, Goldman Sachs analyzed the consideration to be received by holders of VISX common stock pursuant to the merger agreement, calculated as of the close of business on November 8, 2004, in relation to the latest one month, two months, three months, six months, one year and three year average market price of the VISX common stock as of the close of business on November 8, 2004.

This analysis indicated that the price per share to be paid to VISX stockholders pursuant to the merger agreement represented:

a premium of 56.8% based on the closing market price on November 8, 2004 of \$16.91 per share;

a premium of 45.9% based on the latest one month average market price of \$18.18 per share;

a premium of 35.6% based on the latest two months average market price of \$19.56 per share;

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a premium of 34.2% based on the latest three months average market price of \$19.76 per share;

a premium of 22.2% based on the latest six months average market price of \$21.70 per share;

a premium of 22.7% based on the latest one year average market price of \$21.62 per share; and

a premium of 62.5% based on the latest three year average market price of \$16.32 per share.

Discounted Cash Flow Analysis. Goldman Sachs performed a discounted cash flow analysis on VISX using VISX management's projections. Goldman Sachs calculated illustrative net present value indications of free cash flows for VISX for the years 2005 through 2009 using discount rates ranging from 11% to 13%. Goldman Sachs calculated illustrative value indications per share for VISX using illustrative terminal value indications in the year 2009 based on perpetuity growth rates ranging from 2% to 4%. These illustrative terminal value indications were then discounted to calculate illustrative present value indications using discount rates ranging from 11% to 13%. The various ranges for discount rates and perpetuity growth rates were chosen to reflect theoretical analyses of cost of capital. The following table presents the results of this analysis:

	Illustrative Per Share Value Indications
VISX	\$ 20.58-\$29.87

Goldman Sachs also performed a discounted cash flow analysis on AMO using AMO management's projections, as adjusted by VISX management. Goldman Sachs calculated illustrative net present value indications of free cash flows for AMO for the years 2005 through 2009 using discount rates ranging from 10% to 12%. Goldman Sachs calculated illustrative value indications per share for AMO using illustrative terminal value indications in the year 2009 based on perpetuity growth rates ranging from 2% to 4%. These illustrative terminal value indications were then discounted to calculate illustrative present value indications using discount rates ranging from 10% to 12%. The various ranges for discount rates and perpetuity growth rates were chosen to reflect theoretical analyses of cost of capital. The following table presents the results of this analysis:

	Illustrative Per Share Value Indications
AMO	\$ 34.90-\$54.61

In addition, Goldman Sachs performed a discounted cash flow analysis on the combined company, with synergies using (a) VISX management's projections, (b) AMO management's projections, as adjusted by VISX's management, and (c) VISX and AMO managements' projected synergies, subsequently adjusted by VISX's management. Goldman Sachs calculated illustrative net present value indications of free cash flows for the combined company for the years 2005 through 2009 using discount rates ranging from 10% to 12%. Goldman Sachs calculated illustrative value indications per share of the combined company using illustrative terminal value indications in the year 2009 based on perpetuity growth rates ranging from 2% to 4%. These illustrative terminal value indications were then discounted to calculate illustrative present value indications using discount rates ranging from 10% to 12%. The various ranges for discount rates and perpetuity growth rates were chosen to reflect theoretical analyses of cost of capital. The following table presents the results of this analysis:

	Illustrative Per Share Value Indications
The Combined Company	\$ 41.43-\$66.11

Goldman Sachs also calculated the illustrative per share value to be received by VISX stockholders in the merger based on multiplying the illustrative per share values for the combined company resulting from the discounted cash flow analysis of the combined company with synergies by 0.552 and adding \$3.50. This analysis resulted in a range of illustrative per share consideration equal to \$26.37 - \$39.99. Goldman Sachs then calculated the illustrative per share value to be received by VISX stockholders in the merger as a premium to the illustrative per share values for VISX resulting from the discounted cash flow analysis of VISX. This analysis resulted in a premium range equal to 28.1% - 33.9%.

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Goldman Sachs performed these various discounted cash flow analyses because such analyses which are based on management's estimates of future cash flows and the perceived riskiness of achieving such projections result in illustrative per share equity values for AMO, VISX and the combined company, respectively.

Pro Forma Merger Analysis. Goldman Sachs prepared illustrative pro forma analyses with synergies of the potential financial impact of the merger on a GAAP basis using (a) earnings estimates for VISX prepared by its management, (b) earnings estimates for AMO prepared by its management, as adjusted by VISX management and (c) synergies estimates prepared by VISX and AMO managements, subsequently adjusted by VISX management. For each of the estimated years 2005 and 2006, Goldman Sachs compared the projected earnings per share of AMO common stock, on a stand-alone basis, to the projected earnings per share of the common stock of the combined companies. Based on such analyses, the proposed transaction would be dilutive to AMO stockholders on an earnings per share basis in the above scenarios in the years 2005 and 2006.

Goldman Sachs prepared illustrative pro forma analyses without synergies of the potential financial impact of the merger using (a) earnings estimates for VISX prepared by its management and (b) earnings estimates for AMO prepared by AMO management, as adjusted by VISX management. For each of the estimated years 2005 and 2006, Goldman Sachs compared the projected earnings per share of AMO common stock, on a stand-alone basis, to the projected earnings per share of the common stock of the combined companies. Based on such analyses, the proposed transaction would be dilutive to AMO's stockholders on an earnings per share basis in the above scenarios in the years 2005 and 2006.

Goldman Sachs performed this pro forma merger analysis because such analysis which is based on management's estimates of future earnings of VISX and AMO, respectively, and the synergies expected to be realized from the transaction results in a measure of how accretive or dilutive the transaction is expected to be to the earnings per share of AMO.

Contribution Analysis. Goldman Sachs reviewed estimated future operating and financial information including, among other things, sales, EBITDA, net income and pre-tax income for VISX, AMO and the combined entity resulting from the merger without synergies based on (a) VISX management's financial forecasts and (b) AMO management's financial forecasts, as adjusted by VISX management. Goldman Sachs calculated that the consideration to be paid in the merger for each share of VISX common stock of 0.552 shares of AMO common stock plus \$3.50 would result in VISX's stockholders owning approximately 41.5% of the outstanding common equity of the combined company following consummation of the merger. Goldman Sachs also calculated that the consideration to be paid in the merger for each share of VISX common stock of 0.552 shares of AMO common stock plus \$3.50 resulted in an illustrative exchange ratio of 0.637 shares of AMO common stock for each share of VISX common stock based on the market value of AMO common stock on November 8, 2004. Based on this illustrative exchange ratio, Goldman Sachs further determined that VISX stockholders would own on an illustrative basis 45.0% of the outstanding common equity of the combined company following consummation of the merger. Goldman Sachs also analyzed the relative potential contribution of VISX to the combined company following consummation of the merger without synergies for the estimated years 2005 and 2006. The following table presents the results of this analysis:

	VISX Contribution To Combined Company			
	Sales	EBITDA	Pre-Tax Income	Net Income
2005E	19.5%	34.2%	42.7%	40.6%
2006E				