

ALLERGAN INC
Form S-3ASR
July 31, 2006

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As filed with the Securities and Exchange Commission on July 31, 2006
Registration No. 333-

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

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

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

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

Douglas S. Ingram, Esq.
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Allergan, Inc.
2525 Dupont Drive
Irvine, California 92612
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Copy to:
Jonn Beeson
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Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, 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, please check the following box and list the Securities Act registration statement number of the earlier effective

registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. p

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
1.50% Convertible Senior Notes due 2026	\$750,000,000	100%	\$750,000,000	\$80,250
Common stock (together with the associated preferred stock purchase rights)(2)	5,921,400	n/a	n/a(3)	n/a(3)

(1) Calculated pursuant to Rule 457(o) under the Securities Act.

(2) Represents shares of common stock issuable upon conversion of the notes based on a conversion rate of 7.8952 shares per \$1,000 principal amount of notes and an indeterminate number of additional shares of common stock issuable upon conversion of notes, pursuant to Rule 416 under the Securities Act, that may be issued to prevent dilution resulting from stock splits, stock dividends or similar transactions. Each share of common stock includes a right to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock pursuant to the Rights Agreement, dated as of January 25, 2000, as amended, between Allergan, Inc. and Wells Fargo Bank, N.A. (as successor rights agent to Equiserve Trust Company, N.A. and First Chicago Trust Company of New York).

(3) Pursuant to Rule 457(i) and Rule 457(h)(2) under the Securities Act, no additional registration fee is required in connection with the registration of the common stock and associated preferred stock purchase rights issuable upon conversion of the 1.50% Convertible Senior Notes due 2026.

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PROSPECTUS

\$750,000,000
1.50% Convertible Senior Notes due 2026
Shares of Common Stock Issuable upon
Conversion of the Notes

We issued and sold \$750,000,000 aggregate principal amount of our 1.50% Convertible Senior Notes due 2026 in a private transaction on April 12, 2006. Selling securityholders may use this prospectus to resell from time to time their notes and the shares of common stock issuable upon conversion of the notes. Additional selling security holders may be named by prospectus supplement. We will not receive any proceeds from resales by selling securityholders. There currently is no public market for the notes and an active trading market for the notes may never develop.

The notes are Allergan's senior unsecured obligations and not the obligations of its subsidiaries. The notes rank junior in right of payment to the rights of our secured creditors to the extent of their security in our assets; equal in right of payment to the rights of creditors under our other existing and future unsecured unsubordinated obligations, including our revolving credit facilities, our medium term notes and the other debt we incurred concurrently with the settlement of the notes, as described in this prospectus; senior in right of payment to the rights of creditors under obligations expressly subordinated to the notes; and effectively subordinated to secured and unsecured creditors of our subsidiaries.

Our common stock is quoted on the New York Stock Exchange under the symbol *AGN*. The closing price of our common stock on the New York Stock Exchange on July 28, 2006, was \$107.79 per share.

Investing in these securities involves risks. See Risk Factors beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 31, 2006.

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We have not authorized any dealer, salesperson or other person to give any information or to make any representation other than those contained in or incorporated by reference into this prospectus. You must not rely upon any information or representation not contained in or incorporated by reference into this prospectus as if we had authorized it. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which it relates, nor does this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

References in this prospectus to Allergan, we, us and our refer to Allergan, Inc., a company incorporated in the state of Delaware, and its direct and indirect subsidiaries, unless the context otherwise requires or otherwise specified in this prospectus.

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**SPECIAL NOTE REGARDING
FORWARD-LOOKING STATEMENTS**

All statements included or incorporated by reference in this prospectus, other than statements of historical facts, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward looking statements. This prospectus, including the information incorporated by reference in this prospectus, contains forward looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business, our beliefs and our management's assumptions. In addition, we, or others on our behalf, may make forward looking statements in press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. Words such as expect, anticipate, outlook, could, target, project, plan, believe, seek, estimate, should, may, assume, or continue, and variations of such words and similar are intended to identify such forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. We describe some of the risks, uncertainties, and assumptions that could affect the outcome or results of operations in Risk Factors and elsewhere in this prospectus, including the risks incorporated in this prospectus from our most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q, as updated by our future filings. We have based our forward looking statements on our management's beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecast by our forward looking statements. Reference is made in particular to forward looking statements regarding product sales, reimbursement, expenses, earnings per share, liquidity and capital resources, and trends. Except as required under the federal securities laws and the rules and regulations of the Securities and Exchange Commission, we do not have any intention or obligation to update publicly any forward looking statements after the distribution of this prospectus, whether as a result of new information, future events, changes in assumptions, or otherwise.

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PROSPECTUS SUMMARY

This summary is not complete and does not contain all of the information that you should consider before investing in our notes. You should read the entire prospectus carefully, including Risk Factors and our consolidated financial statements and the related notes, other financial information and other documents incorporated by reference into this prospectus, before you decide to invest in the notes.

Allergan, Inc.

We are a technology-driven, global health care company that discovers, develops and commercializes specialty pharmaceutical and medical device products for the ophthalmic, neurological, medical aesthetics, medical dermatological, breast aesthetics, obesity intervention and other specialty markets. We are a pioneer in specialty pharmaceutical research, targeting products and technologies related to specific disease areas such as glaucoma, retinal disease, dry eye, psoriasis, acne and movement disorders. Additionally, we discover, develop and market medical devices, aesthetic-related pharmaceuticals, and over-the-counter products. Within these areas, we are an innovative leader in saline and silicone gel-filled breast implants, dermal facial fillers and obesity intervention products, therapeutic and other prescription products, and to a limited degree, over-the-counter products that are sold in more than 100 countries around the world. We are also focusing research and development efforts on new therapeutic areas, including gastroenterology, neuropathic pain and genitourinary diseases. Our principal executive offices are located at 2525 Dupont Drive, Irvine, California 92612.

Description of Inamed Acquisition

On March 23, 2006, we completed our previously announced acquisition of Inamed Corporation, a global healthcare company that develops, manufactures, and markets a diverse line of products to enhance the quality of people's lives, including breast implants for aesthetic augmentation and reconstructive surgery following a mastectomy, a range of dermal products to correct facial wrinkles, the BioEnterics® LAP-BAND® System designed to treat severe and morbid obesity, and the BioEnterics® IntraGastric Balloon (BIB®) system for the treatment of obesity.

The acquisition was completed pursuant to an agreement and plan of merger, dated as of December 20, 2005, by and among us, our wholly-owned subsidiary Banner Acquisition, Inc., and Inamed and an exchange offer made by Banner Acquisition to acquire Inamed shares for either \$84.00 in cash or 0.8498 of a share of our common stock (together with the associated preferred stock purchase rights), at the election of the holder, subject to proration so that 45% of the aggregate Inamed shares tendered were exchanged for cash and 55% of the aggregate Inamed shares tendered were exchanged for shares of our common stock. In the exchange offer we paid approximately \$1.31 billion in cash and issued 16,194,051 shares of our common stock through Banner Acquisition, acquiring approximately 93.86% of Inamed's outstanding common stock. Following the exchange offer, we acquired the remaining outstanding shares of Inamed common stock for approximately \$81.7 million in cash and 1,010,576 shares of our common stock through the merger of Banner Acquisition with and into Inamed in a second step merger in which Inamed survived as our wholly-owned subsidiary. The consideration paid in the merger does not include shares of our common stock and cash that was paid to optionholders for outstanding options to purchase approximately 1.0 million shares of Inamed common stock, which were cancelled in the merger and converted into the right to receive an amount of cash equal to 45% of the in the money value of the option and a number of shares of our common stock with a value equal to 55% of the in the money value of the option. The aggregate amount of cash paid and shares of Allergan common stock issued in connection with the settlement of outstanding Inamed options was \$17.9 million and 237,066 shares, respectively. The cash portion of the aggregate purchase price for the exchange offer and merger was financed with cash drawn from our working capital and by drawing \$825 million on a 364-day bridge term facility (the Bridge Facility).

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The Financing Transactions

The initial offering of the notes formed part of a larger financing plan for the acquisition of Inamed and the other uses of funds described below. Concurrently with the offering of the notes, we offered \$800 million aggregate principal amount of senior notes due 2016 (the Ten Year Notes). In addition, on March 31, 2006, we amended our long-term credit facility to increase available borrowings from \$400 million to \$800 million. The offering of the notes and the offering of the Ten Year Notes were consummated concurrently. We refer to the offerings of the notes and the Ten Year Notes and the amendment of our long-term credit facility in this prospectus as the Financing Transactions.

In May 2006, we redeemed our zero coupon convertible senior notes due 2022 (the 2022 Notes). Most holders elected to exercise the conversion features of the 2022 Notes prior to redemption. Upon their conversion, we were required to pay the accreted value of the 2022 Notes (approximately \$411.2 million) in cash and had the option to pay the remainder of the conversion value in cash or shares of our common stock. We exercised our option to pay the remainder of the conversion value in approximately 1.6 million shares of our common stock. In addition, holders of approximately \$20.3 million of aggregate principal at maturity of the 2022 Notes did not exercise the conversion feature, and we paid the accreted value (approximately \$16.6 million) in cash to redeem these 2022 Notes. Following the conclusion of the Financing Transactions, we used approximately \$307.8 million, the approximate amount of the difference between the amount of cash we used for the conversion and the redemption of the 2022 Notes and the net proceeds of the notes, to repurchase shares of our common stock under our common stock repurchase program, including through one or more block trades with one or more of the initial purchasers of the private notes and/or their affiliates.

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THE OFFERING

Securities Offered	\$750,000,000 aggregate principal amount of 1.50% Convertible Senior Notes due 2026 and the shares of common stock issuable upon conversion of the notes. Each note was issued at 100% of the principal amount. The principal amount per note is \$1,000.
Maturity Date	April 1, 2026.
Interest and Payment Dates	1.50% per year, payable semiannually in arrears in cash on April 1 and October 1 of each year, beginning October 1, 2006 to holders of record at the close of business on the March 15 or the September 15 immediately preceding such interest payment date. The first interest payment date will include interest from April 12, 2006, the date of the original issuance.
Redemption	The notes are freely redeemable by us on or after April 5, 2011 at a price in cash equal to 100% of the principal amount being redeemed plus accrued and unpaid interest up to but excluding the redemption date. In addition, the notes are redeemable, under specified circumstances, from on or after April 5, 2009 to April 4, 2011 at a price in cash equal to 100% of the principal amount being redeemed plus accrued and unpaid interest up to but excluding the redemption date.
Purchase of Notes at Option of Holder	On April 1, 2011, April 1, 2016 and April 1, 2021 a note holder may require us to purchase any outstanding note for cash at a price equal to 100% of the principal amount being offered plus accrued and unpaid interest up to but excluding the purchase date.
Conversion Rights	<p> Holders may surrender their notes, in integral multiples of \$1,000 principal amount, for conversion into shares of the common stock prior to the maturity date based on the applicable conversion rate only under the following circumstances:</p> <p> during any fiscal quarter beginning after June 30, 2006 (and only during such fiscal quarter), if the closing price of our common stock for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is more than 120% of the applicable conversion price per share, which is \$1,000 divided by the then applicable conversion rate;</p> <p> we call the notes for redemption;</p> <p> if specified distributions to holders of our common stock are made, or specified corporate transactions occur; or</p> <p> at any time on or after February 1, 2026 through the day immediately preceding the maturity date.</p> <p> The initial conversion rate for the notes is 7.8952 shares of common stock per \$1,000 principal amount of notes. This is equivalent to an initial conversion price of approximately \$126.66 per share of common stock.</p>

Upon conversion, for each \$1,000 principal amount of notes, a holder will receive an amount in cash equal to the lesser of (i) \$1,000 and (ii) the conversion value, determined in the manner set forth in this offering memorandum. If the conversion value

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exceeds the principal amount of the note on the conversion date, we will also deliver common stock or, at our election, cash or a combination of cash and common stock for the conversion value in excess of \$1,000. See Description of Notes Payment Upon Conversion. Holders who convert their notes in connection with a change in control, as defined in this offering memorandum, may be entitled to a make-whole premium in the form of an increase in the conversion rate. See Description of Notes Make Whole Premium.

Change in Control

Upon specified change of control events, holders will have the option to require us to purchase all or any portion of the notes at a price equal 100% of the principal amount of the notes being offered, plus accrued and unpaid interest, if any, to, but excluding, the purchase date. In the event of a change of control, in lieu of paying holders a make whole premium, if applicable, we may elect, in some circumstances, to adjust the conversion rate and related conversion obligation so that the notes are convertible into shares of the acquiring or surviving company. See Description of Notes Change in Control Permits Holders to Require Us to Purchase Notes.

Ranking

The notes are our general unsecured senior obligations and rank equally in right of payment with our existing and future unsubordinated debt. The notes are effectively subordinated to any secured debt we incur to the extent of the collateral securing such indebtedness, and will be structurally subordinated to all future and existing obligations of our subsidiaries.

Guarantees

None.

Sinking Fund

None.

DTC Eligibility

The notes were issued in fully registered book-entry form and are represented by permanent global notes. The global notes were deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company, or DTC. Beneficial interests in global notes are shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, and your interest in any global note may not be exchanged for certificated notes, except in limited circumstances described herein. See Description of Notes Book Entry, Delivery and Form.

Form and Denomination

The notes are issued in minimum denominations of \$1,000 and any integral multiple of \$1,000.

Trading

The notes are not listed on any securities exchange or included in any automated quotation system. There is currently no public market for the notes.

Governing Law

New York.

NYSE Symbol for Common Stock

Our common stock is quoted on the New York Stock Exchange under the symbol AGN.

Risk Factors

See Risk Factors and other information included or incorporated by reference in this offering memorandum for a discussion of the factors you should carefully consider

before deciding to invest in the notes.

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Investing in the notes involves a high degree of risk. You should carefully consider the following risk factors and the risk factors identified in our most recent Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q incorporated herein by reference, as well as all other information contained or incorporated by reference in this prospectus before making a decision to invest in the notes. The occurrence of any one or more of the following could materially adversely affect your investment in the notes or our business and operating results.

The notes are structurally subordinated to all of the indebtedness and other liabilities of our subsidiaries. This may affect your ability to receive payments on the notes.

The notes are exclusively the obligations of Allergan and not its subsidiaries. We currently conduct almost all of our operations through our subsidiaries and our subsidiaries have significant liabilities. In addition, we may, and in some cases we have plans to, conduct additional operations through our subsidiaries in the future and, accordingly, our subsidiaries' liabilities will increase. Our cash flow and our ability to service our debt, including the notes, therefore depends significantly upon the earnings of our subsidiaries, and we depend on the distribution of earnings, loans or other payments by those subsidiaries to us. As of March 31, 2006, our subsidiaries had total liabilities of \$577.4 million.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or, subject to existing or future contractual obligations between us and our subsidiaries, to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions and taxes on distributions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations.

Our right to receive any assets of any of our subsidiaries upon liquidation or reorganization, and, as a result, the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors and preferred stockholders, if any. The notes do not restrict the ability of our subsidiaries to incur additional liabilities. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to indebtedness held by us.

We have a significant amount of debt. Our substantial indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

We have a significant amount of debt and substantial debt service requirements. As of March 31, 2006, we had approximately \$1.8 billion of outstanding debt, giving pro forma effect to the Financing Transactions and the application of the proceeds, including the issuance of the notes, the issuance of the Ten Year Notes, the redemption of our 2022 Notes and the repayment of the Bridge Facility. Giving effect to the Financing Transactions, the redemption of our 2022 Notes and the issuance of the notes, as of March 31, 2006 we have the ability to borrow an additional approximately \$673 million under our long-term credit facility.

This level of debt could have significant consequences on our future operations, including:

making it more difficult for us to meet our payment and other obligations under the notes and our other outstanding debt;

resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all of our debt becoming immediately due and payable;

reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;

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subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our senior credit facility;

limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy;

increasing our vulnerability to general adverse economic and industry conditions; and

placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

If we are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments, or if we fail to comply with the various requirements of the notes, our existing indebtedness, debt we incur in connection with the Financing Transactions or any indebtedness that we may incur in the future, we would be in default, which could permit the holders of the notes and the holders of such other indebtedness to accelerate the maturity of the notes or such other indebtedness, as the case may be, and could cause defaults under the notes and such other indebtedness. Any default under the notes or any indebtedness that we may incur in the future, as well as any of the above-listed factors, could have a material adverse effect on our business, operating results, liquidity and financial condition and our ability to meet our payment obligations under the notes and our other debt.

We and our subsidiaries may incur substantially more debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may incur substantial additional debt in the future. Although certain of our debt agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness as defined in the relevant agreement. If new debt is added to our current debt levels, the related risks that we now face could intensify.

The notes will not be secured by any of our assets and our secured debt will have claims with respect to the secured assets superior to the notes.

The notes will not be secured by any of our assets. Future indebtedness that we incur may be secured by our assets. If we become insolvent or are liquidated, or if payment of any secured indebtedness is accelerated, the holders of the secured indebtedness will be entitled to exercise the remedies available to secured lenders under applicable law, including the ability to foreclose on and sell the assets securing such indebtedness in order to satisfy such indebtedness. In any such case, any remaining assets may be insufficient to repay the notes.

A significant amount of our debt agreements contain covenant restrictions that may limit our ability to operate our business.

The agreements governing our existing debt contain covenant restrictions that limit our ability to operate our business, including covenant restrictions that may prevent us from:

incurring additional debt or issue guarantees;

creating liens;

entering into certain transactions with our affiliates; and

consolidating, merging or transferring all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

Some of our existing debt agreements require us to maintain specific leverage and interest coverage ratios. Our ability to comply with these covenants is dependent on our future performance, which will be subject to many factors, some of which are beyond our control, including prevailing economic conditions. Our

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failure to comply with these obligations would prevent us from borrowing additional money and could result in our default. If a default occurs under any of our senior indebtedness, the relevant lenders could elect to declare such indebtedness, together with accrued interest and other fees, to be immediately due and payable and proceed against substantially all of our assets. Moreover, if the lenders under a facility or other agreement in default were to accelerate the indebtedness outstanding under that facility, it could result in a default under other indebtedness. If all or any part of our indebtedness were to be accelerated, we may not have or be able to obtain sufficient funds to repay it. In addition, we may incur other indebtedness in the future that may contain financial or other covenants that are more restrictive than those contained in the indenture governing the notes.

As a result of these covenants, our ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and we may be prevented from engaging in transactions that might otherwise be beneficial to us. In addition, our failure to comply with these covenants could result in a default under the notes and our other debt, which could permit the holders to accelerate such debt. If any of our debt is accelerated, we may not have sufficient funds available to repay such debt.

The conditional conversion feature of the notes could result in your receiving less than the value of the cash and common stock into which a note would otherwise be convertible.

The notes are convertible into cash and shares of our common stock, if any, only if specified conditions are met. If the specified conditions for conversion are not met, you will not be able to convert your notes, and you may not be able to receive the value of the cash and common stock, if any, into which the notes would otherwise be convertible.

Upon conversion of the notes, we will pay only cash in settlement of the lesser of the principal amount and conversion value thereof and we will settle any amounts in excess of principal in shares of our common stock, or, if we so elect, cash or a combination of cash and shares of our common stock.

The notes will be net share settled, which means that we will satisfy our conversion obligation to holders by paying only cash in settlement of the lesser of the principal amount and the conversion value of the notes and by delivering shares of our common stock, or, if we so elect, cash, in settlement of all or a portion of the conversion obligation (if any) in excess of the principal amount of the notes. Accordingly, upon conversion of a note, holders might not receive any shares of our common stock. In addition, any settlement of a conversion of notes (other than with respect to a conversion of notes following our issuance of a notice of redemption, settlement of which will occur on the applicable redemption date) will occur no earlier than the 23rd trading day after our receipt of the holder's conversion notice. Accordingly, you may receive less value than expected because the value of our common stock may decline (or fail to appreciate as much as you may expect) between the day that you exercise your conversion right and the day on which we settle our conversion obligation.

We may not have sufficient funds available to pay amounts due under the notes.

We will be required to pay cash to holders of the notes:

upon purchase of the notes by us at the option of holders on April 1, 2011, April 1, 2016 and April 1, 2021, at a price equal to 100% of the principal amount being offered, plus accrued and unpaid interest, if any;

upon purchase of the notes by us at the option of holders upon some changes of control, at a price equal to 100% of the principal amount being offered, plus accrued and unpaid interest, if any;

at maturity of the notes, in an amount equal to the entire outstanding principal amount; and

upon conversion, in an amount equal to the lesser of (i) the principal amount of the note and (ii) the conversion value, determined in the manner set forth in this prospectus.

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We may not have sufficient funds available or may be unable to arrange for additional financing to satisfy these or any of our other obligations. Our ability to pay cash to holders of the notes or meet our payment and other debt obligations depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors, as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our long-term credit facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the notes and our other debt and to fund other liquidity needs. A failure to pay amounts due under the notes upon repurchase, at maturity or upon conversion in the event we elect to pay cash in lieu of shares of common stock upon conversion would constitute an event of default under the indenture, which could, in turn, constitute a default under the terms of our other indebtedness.

An active trading market for the notes may not develop.

There is currently no public market for the notes, and an active trading market may never develop. If the notes are traded, they may trade at a discount from their offering price, depending on prevailing interest rates, the market for similar securities, the price, and volatility in the price of our shares of common stock, our performance and other factors. In addition, we do not know whether an active trading market will develop for the notes. To the extent that an active trading market does not develop, the liquidity and trading prices for the notes may be harmed.

We have no plans to list the notes on a securities exchange.

Any market-making activity, if initiated, may be discontinued at any time, for any reason or for no reason, without notice.

The liquidity of any market for the notes will depend upon the number of holders of the notes, our results of operations and financial condition, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. An active or liquid trading market for the notes may not develop.

Fluctuations in the price of our common stock may prevent you from being able to convert the notes and may impact the price of the notes and make them more difficult to resell.

The ability of holders of the notes to convert the notes is conditioned on, among other things, the closing price of our common stock reaching a specified threshold or the occurrence of specified corporate transactions, such as a change in control. If the closing price threshold for conversion of the notes is satisfied during a fiscal quarter, holders may convert the notes only during the subsequent fiscal quarter. If such closing price threshold is not satisfied and the other specified corporate transactions that would permit a holder to convert notes do not occur, holders would not be able to convert notes except during the two-month period prior to the maturity date.

Because the notes are convertible into shares of our common stock, volatility or depressed prices for our common stock could have a similar effect on the trading price of the notes and could limit the amount of cash payable upon conversion of the notes. Holders who receive common stock upon conversion of the notes will also be subject to the risk of volatility and depressed prices of our common stock.

The make-whole premium that may be payable upon a change in control may not adequately compensate you for the lost option time value of your notes as a result of such change in control.

If you convert notes in connection with a change in control, we may be required to issue a make-whole premium by increasing the conversion rate applicable to your notes, as described under Description of Notes Make Whole Premium. While these increases in the applicable conversion rate are designed to compensate you for the lost option time value of your notes as a result of a change in control, such increases are only an approximation of such lost value and may not adequately compensate you for such loss. In

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addition, even if a change in control occurs, in some cases there will be no such make-whole premium. See Description of Notes Public Acquirer Change in Control.

Because your right to require us to purchase the notes is limited, the market prices of the notes may decline if we enter into a transaction that is not a change in control under the indenture.

The term change in control is limited and may not include every event that might cause the market prices of the notes to decline or result in a downgrade of the credit rating of the notes. Our obligation to purchase the notes upon a change in control may not preserve the value of the notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction. See Description of Notes Change in Control Permits Holders to Require Us to Purchase Notes.

If you hold notes, you are not entitled to any rights with respect to our common stock, but you are subject to all changes made with respect to our common stock.

If you hold notes, you are not entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but you are subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of common stock to you in exchange for your notes and in limited cases under the adjustments to the conversion rate. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of the common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

The conversion rate of the notes may not be adjusted for all dilutive events, including third-party tender or exchange offers that may adversely affect the trading price of the notes or the common stock issuable upon conversion of the notes.

The conversion rate of the notes is subject to adjustment upon certain events, including the issuance of stock dividends on our common stock, the issuance of rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness or assets, cash dividends and issuer tender or exchange offers as described under Description of Notes Conversion Rate Adjustments. The conversion rate will not be adjusted for certain other events, such as third-party tender or exchange offers, that may adversely affect the trading price of the notes or the common stock issuable upon conversion of the notes.

Any adverse rating of the notes may cause the value of the notes to fall.

One or more rating agencies may lower the ratings on the notes. If the rating agencies reduce their ratings on the notes in the future or indicate that they have their ratings on the notes under surveillance or review with possible negative implications, the value of the notes could decline. In addition, a ratings downgrade could adversely affect our ability to access capital.

Conversion of the notes will dilute the ownership interest of existing stockholders, including holders who had previously converted their notes.

To the extent we issue common stock upon conversion of the notes, the conversion of some or all of the notes will dilute the ownership interests of existing stockholders. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could depress the price of our common stock.

You should consider the U.S. federal income tax consequences of owning the notes.

The U.S. federal income tax treatment of the conversion of the notes into a combination of our common stock and cash is uncertain. You are urged to consult your tax advisors with respect to the U.S. federal

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income tax consequences resulting from the conversion of notes into a combination of cash and common stock. A discussion of the U.S. federal income tax consequences of ownership and disposition of the notes is contained in this offering memorandum under the heading Certain United States Federal Income Tax Consequences.

You may have to pay taxes with respect to distributions on our common stock that you do not receive.

The conversion rate of the notes is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, cash dividends and certain other actions by us that modify our capital structure. If, for example, the conversion rate is adjusted as a result of a distribution that is taxable to holders of our common stock, such as a cash dividend, you may be required to include an amount in income for U.S. federal income tax purposes, notwithstanding the fact that you do not receive an actual distribution. In addition, holders of the notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding taxes (including backup withholding taxes or withholding taxes for payments to foreign persons). If we pay withholding taxes on behalf of a holder, we may, at our option, set off such payments against payments of cash and common stock on the notes. See the discussions under the headings Certain United States Federal Income Tax Consequences Consequences to U.S. Holders Constructive Distributions and Certain United States Federal Income Tax Consequences Consequences to Non-U.S. Holders Dividends for more details.

The change in control purchase feature of the notes may delay or prevent an otherwise beneficial takeover attempt of our company.

The terms of the notes require us to purchase the notes for cash in the event of a change in control. A takeover of our company could trigger the requirement that we purchase the notes. This may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to investors.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our historical ratio of earnings to fixed charges for the last five years and the three month period ended March 31, 2006, and the pro forma Allergan-Inamed combined ratio of earnings to fixed charges for the year ended December 31, 2005 and the three month period ended March 31, 2006, giving effect to our acquisition of Inamed, the completion of the Financing Transactions, the redemption of our 2022 Notes and the repayment of the Bridge Facility, as if each of those transactions had been consummated on January 1, 2005. For the purpose of these ratios, earnings represents earnings before provision for income taxes and minority interest and fixed charges, and fixed charges consist of interest expense and a share of rent expense which is deemed to be representative of an interest factor.

	Historical					Pro Forma Combined		
	Fiscal Year					Three Months Ended	Three Months Ended	
	2001	2002	2003	2004	2005	March 31, 2006	Fiscal Year 2005	March 31, 2006
Ratio of earnings to fixed charges	11.7x	4.8x ⁽¹⁾	n/a ⁽²⁾	20.6x	30.2x	n/a ⁽³⁾	9.4x	6.3x

⁽¹⁾ The determination of earnings within this ratio includes the following expenses incurred by us during the year ended December 31, 2002: a \$63.5 million charge for restructuring costs and asset write-offs, substantially all of which related to our spin-off of Advanced Medical Optics, Inc., or AMO, which occurred on June 29, 2002; \$42.5 million of duplicate operating expenses during 2002 that were associated with the spin-off of AMO; and a litigation settlement charge of \$118.7 million during 2002.

⁽²⁾ In 2003, earnings were not sufficient to cover fixed charges by \$29.5 million. The determination of earnings in 2003 includes charges totaling \$458.0 million related to acquired in-process research and development assets associated with our 2003 purchases of Oculex Pharmaceuticals, Inc. and Bardeen Sciences Company, LLC.

⁽³⁾ In the three month period ended March 31, 2006, earnings were not sufficient to cover fixed charges by \$423.1 million. The determination of earnings in 2006 includes a charge of \$562.8 million related to acquired in-process research and development assets associated with our acquisition of Inamed.

USE OF PROCEEDS

All sales of the notes or shares of common stock issuable upon conversion of the notes will be by or for the account of the selling securityholders listed in this prospectus and any prospectus supplement. We will not receive any proceeds from the sale by any selling securityholder of the notes or the common stock issuable upon conversion of the notes.

Table of Contents**SELECTED FINANCIAL DATA**

The selected consolidated financial data below for the five years ended December 31, 2005 should be read in conjunction with the consolidated financial statements and accompanying notes thereto filed in our Annual Report on Form 10-K filed with the SEC on March 6, 2006. The financial data for the three months ended March 25, 2005 and March 31, 2006 is derived from our unaudited consolidated condensed financial statements. The unaudited results reflect all adjustments (consisting only of normal recurring adjustments) that our management considers necessary for a fair presentation of operating results. The operating results for the three months ended March 31, 2006 are not necessarily indicative of the results that will be achieved for a full year. The information is only a summary and should be read in connection with the consolidated financial statements, accompanying notes and management's discussion and analysis of results of operations and financial condition of Allergan, Inc., all of which can be found in publicly available documents, including those incorporated by reference. See [Where You Can Find More Information](#).

	Three Months Ended March 31, 2006	Three Months Ended March 25, 2005	Year Ended December 31,				
			2005	2004	2003	2002	2001
(in millions, except per share data)							
Summary of Operations							
Product net sales	\$615.2	\$527.2	\$2,319.2	\$2,045.6	\$1,755.4	\$1,385.0	\$1,142.1
Research service revenues (primarily from a related party through April 16, 2001)					16.0	40.3	60.3
Operating costs and expenses:							
Cost of product sales	101.6	94.1	399.6	386.7	320.3	221.7	198.1
Cost of research services					14.5	36.6	56.1
Selling, general and administrative	274.0	213.2	913.9	778.9	697.2	623.8	481.0
Research and develop							