Unwavering Commitment

ANNUAL REPORT 2005

Diving deeper. Reaching further.

ALLERGAN

COMPANY OVERVIEW Allergan, Inc. is a premier, global specialty pharmaceutical and medical device company that develops and commercializes innovative products for the ophthalmology, neurosciences, medical dermatology, medical aesthetics and other specialty markets. Headquartered in Irvine, California, Allergan is dedicated to delivering value to its customers, satisfying unmet medical needs and improving people's lives. The Company employs more than 5,000 people worldwide and operates two world-class research and development facilities and three state-of-the-art manufacturing plants. In addition to its discovery-to-development research programs, Allergan has global marketing and sales capabilities, with a presence in more than 100 countries.

In millions, except per share data	2005	2004	Year Ended December 31, 2003
STATEMENT OF OPERATIONS HIGHLIGHTS (As reported under U.S. GAAP)			
Product net sales	**$2,319.2**	$2,045.6	$1,755.4
Gross profit	**1,919.6**	1,658.9	1,435.1
Research and development	**391.0**	345.6	763.5
Earnings (loss) from continuing operations	**403.9**	377.1	(52.5)
Earnings from discontinued operations	**—**	—	—
Net earnings (loss)	**403.9**	377.1	(52.5)
Basic earnings (loss) per share:			
Continuing operations	**3.08**	2.87	(0.40)
Discontinued operations	**—**	—	—
Diluted earnings (loss) per share:			
Continuing operations	**3.01**	2.82	(0.40)
Discontinued operations	**—**	—	—
Dividends per share	**0.40**	0.36	0.36
ADJUSTED AMOUNTS (a)			
Adjusted earnings from continuing operations	**453.3**	368.8	305.2
Adjusted basic earnings per share:			
Continuing operations	**3.46**	2.81	2.34
Adjusted diluted earnings per share:			
Continuing operations	**3.38**	2.75	2.30
NET SALES BY PRODUCT LINE			
Specialty Pharmaceuticals:			
Eye Care Pharmaceuticals	**$1,321.7**	$1,137.1	$ 999.5
BOTOX®/Neuromodulators	**830.9**	705.1	563.9
Skin Care	**120.2**	103.4	109.3
Total Pharmaceutical Sales	**2,272.8**	1,945.6	1,672.7
Other	**46.4**	100.0	82.7
Total Net Sales	**$2,319.2**	$2,045.6	$1,755.4
PRODUCT SOLD BY LOCATION			
Domestic	**67.5%**	69.1%	70.4%
International	**32.5%**	30.9%	29.6%

(a) The adjusted amounts in 2005 exclude income taxes of $49.6 million related to the repatriation of foreign earnings that had been previously permanently reinvested outside the United States, and income tax benefits of $24.1 million related to the resolution of uncertain tax positions and an additional benefit for state income taxes of $1.4 million, and the after-tax effects of the following: 1) $28.8 million restructuring charge and $5.6 million of transition/duplicate operating costs related to the streamlining of the Company's European operations, 2) $12.9 million restructuring charge related to the scheduled termination of the Company's manufacturing and supply agreement with Advanced Medical Optics, 3) $7.9 million gain on the sale of a distribution business in India, 4) $7.3 million reduction in interest expense related to the resolution of uncertain income tax positions and $2.1 million of interest income related to previously paid state income taxes, 5) $5.7 million gain on the sale of assets previously used in contract manufacturing activities, 6) $2.3 million restructuring charge related to the streamlining of the Company's operations in Japan, 7) $0.6 million gain on the sale of a former manufacturing plant in Argentina, 8) $0.8 million gain on the sale of a third party equity investment, 9) $3.6 million gain on the termination of the Vitrase collaboration agreement with ISTA Pharmaceuticals, 10) $3.0 million buy-out of a license agreement with Johns Hopkins University, 11) $0.4 million in costs related to the acquisition of Inamed Corporation, and 12) $1.1 million unrealized gain on derivative instruments.

The adjusted amounts in 2004 exclude the favorable recovery of $6.1 million of previously paid state income taxes and the after-tax effects of the following: 1) income of $2.4 million from a patent infringement settlement, 2) $7.0 million restructuring charge related to the scheduled termination of the Company's manufacturing and supply agreement with Advanced Medical Optics, 3) $0.4 million unrealized loss on derivative instruments, and 4) income of $11.5 million from a technology transfer fee and a revised Vitrase collaboration agreement with ISTA Pharmaceuticals.

The adjusted amounts in 2003 exclude the after-tax effects of the following: 1) $179.2 million charge for in-process research and development related to the purchase of Oculex Pharmaceuticals, Inc., 2) $278.8 million charge for in-pro the purchase of Bardeen Sciences Company, LLC, 3) $0.4 asset write-offs, net related to the 2002 spin-off of the lens care businesses, 4) $0.3 million unrealized loss on de charge for the early extinguishment of convertible debt.

The adjusted amounts in 2002 exclude the after-tax effe litigation settlement costs, 2) net costs of $100.3 million Company's ophthalmic surgical and contact lens care bus consist of restructuring charge and asset write-offs of $ of $42.5 million and gain of $5.7 million on sale of a fac temporary impairment of equity investments, 4) $1.7 millio 5) net gain of $1.0 million from partnering agreements, a extinguishment of convertible debt.

The adjusted amounts in 2001 exclude the $40.0 million ment related to the purchase of Allergan Specialty Thera following: 1) $6.2 million restructuring charge and asset restructuring charge reversal and a $4.5 million gain on recorded in 1998, 2) income of $1.5 million from a part on the permanent impairment of equity investments, 4) pharmaceutical products in Brazil, 5) $4.2 million unreal 6) $4.4 million associated with the 2002 spin-off of the lens care businesses.

The foregoing language contains certain non-GAAP fi adjustments. For a reconciliation of these non-GAAP measures, please refer to pages 2 and 3 of this Annua

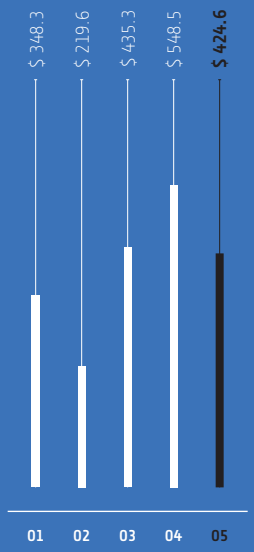
2002	2001
$1,385.0	$1,142.1
1,163.3	944.0
233.1	227.5
64.0	171.2
11.2	54.9
75.2	224.9
0.49	1.30
0.09	0.42
0.49	1.29
0.08	0.40
0.36	0.36
252.3	207.7
1.95	1.58
1.92	1.55
$ 827.3	$ 753.7
439.7	309.5
90.2	78.9
1,357.2	1,142.1
27.8	—
$1,385.0	$1,142.1
70.6%	67.0%
29.4%	33.0%

cess research and development related to
million reversal of restructuring charge and
Company's ophthalmic surgical and contact
erivative instruments, and 5) $0.9 million

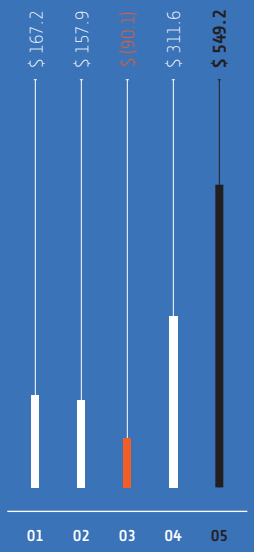
cts of the following: 1) $118.7 million in
associated with the 2002 spin-off of the
sinesses to Advanced Medical Optics which
63.5 million, duplicate operating expenses
ility, 3) $30.2 million loss on the other than
on unrealized loss on derivative instruments,
and 6) $11.7 million charge for the early

charge for in-process research and develop-
peutics, Inc. and the after-tax effects of the
write-off reversal consisting of $1.7 million
sale of a facility reducing the write-offs
tnering agreement, 3) $4.5 million loss
$2.0 million gain on the sale of divested
ized gain on derivative instruments, and
Company's ophthalmic surgical and contact

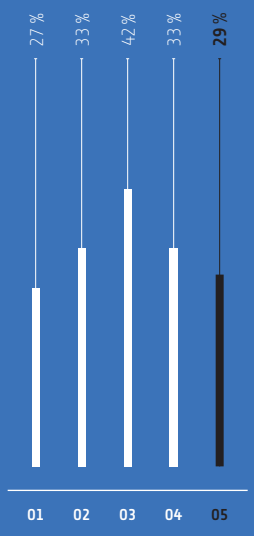
nancial measures and non-GAAP
financial measures to GAAP financial
l Report.



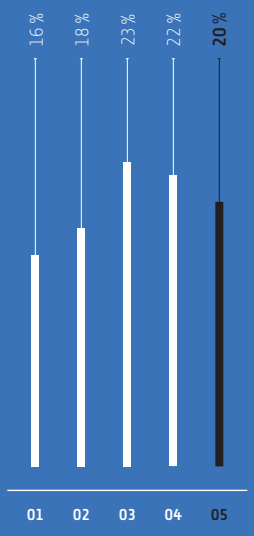
CASH FLOW
FROM OPERATIONS*
(in millions of dollars)



CASH, NET OF DEBT*
(in millions of dollars)



RETURN ON EQUITY
(adjusted for non-GAAP items)**



RETURN ON CAPITAL
(adjusted for non-GAAP items)**

* As reported, including discontinued operations.

** Adjustments to GAAP net earnings (loss) used to calculate return on equity, adjusted for non-GAAP items, and return on capital, adjusted for non-GAAP items, include the aggregate non-GAAP adjustments, net of tax, detailed on pages 2 and 3 of this Annual Report. Return on equity using GAAP net earnings (loss) was 26%, 34%, (7)%, 9% and 23% for 2005, 2004, 2003, 2002 and 2001, respectively. Return on capital using GAAP net earnings (loss) was 17%, 22%, (4)%, 5% and 14% for 2005, 2004, 2003, 2002 and 2001, respectively.

Diving deeper. Reaching further.

We are a technology-driven health care company with a portfolio representing a unique blend of specialty businesses comprised of pharmaceutical and medical device products and offerings. We have a vision for a better way of doing business and an unwavering commitment to helping improve quality of life. We have achieved leadership by developing deep scientific and medical expertise in select specialties and have adopted an innovative approach to discovering and developing new medicines and technologies that address unmet medical needs. We follow our research and development (R&D) into specialty markets and work closely with the physicians who rely on us to help the patients they serve. We listen. And we offer advice and counsel every step of the way. By continually diving deeper and reaching further, we have created a world-class R&D program and global infrastructure to make new things possible and help people live life to their full potential.

Think of it as a blend of science and innovation. We do.

Condensed Consolidated Statements of Operations and Reconciliation of Non-GAAP Adjustments

In millions, except per share data	Year Ended December 31, 2005			Year Ended December 31, 2004		
	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted
PRODUCT SALES						
Net sales — pharmaceutical only	$2,272.8	$ —	$2,272.8	$1,945.6	$ —	$1,945.6
Non-pharmaceutical sales (primarily contract sales)	46.4	—	46.4	100.0	—	100.0
Total	2,319.2	—	2,319.2	2,045.6	—	2,045.6
Cost of sales — pharmaceutical only	363.6	(0.5) [a][b]	363.1	301.6	—	301.6
Cost of sales — non-pharmaceutical	36.0	—	36.0	85.1	—	85.1
Product gross margin	1,919.6	0.5	1,920.1	1,658.9	—	1,658.9
Research services margin	—	—	—	—	—	—
Selling, general and administrative	913.9	10.0 [a][c][d]	923.9	778.9	2.4 [l]	781.3
Research & development	391.0	(4.5) [a][e]	386.5	345.6	—	345.6
Legal settlement	—	—	—	—	—	—
Technology fees from related party	—	—	—	—	—	—
Restructuring charge (reversal) and asset write-offs	43.8	(43.8) [b]	—	7.0	(7.0) [o]	—
Operating income (loss)	570.9	38.8	609.7	527.4	4.6	532.0
Interest income	35.4	(2.2) [f][g]	33.2	14.1	—	14.1
Interest expense	(12.4)	(7.3) [f]	(19.7)	(18.1)	—	(18.1)
Gain (loss) on investments	0.8	(0.8) [h]	—	0.3	—	0.3
Unrealized gain (loss) on derivative instruments, net	1.1	(1.1) [i]	—	(0.4)	0.4 [i]	—
Other, net	3.4	(3.5) [g]	(0.1)	8.8	(11.5)	(2.7)
	28.3	(14.9)	13.4	4.7	(11.1)	(6.4)
Earnings (loss) from continuing operations before income taxes and minority interest	599.2	23.9	623.1	532.1	(6.5)	525.6
Provision for income taxes	192.4	(22.4) [j]	170.0	154.0	1.8 [m]	155.8
Minority interest	2.9	(3.1) [k]	(0.2)	1.0	—	1.0
Earnings (loss) from continuing operations	$ 403.9	$ 49.4	$ 453.3	$ 377.1	$ (8.3)	$ 368.8
Basic earnings (loss) per share: Continuing operations	$ 3.08	$ 0.38	$ 3.46	$ 2.87	$(0.06)	$ 2.81
Diluted earnings (loss) per share: Continuing operations	$ 3.01	$ 0.37	$ 3.38	$ 2.82	$(0.07)	$ 2.75
Total net sales	$2,319.2	$(22.3) [ab]	$2,296.9	$2,045.6	$(41.9) [ab]	$2,003.7

"GAAP" refers to financial information presented in accordance with generally accepted accounting principles in the United States.

In this Annual Report, Allergan included historical non-GAAP financial measures, as defined in Regulation G promulgated by the Securities and Exchange Commission, with respect to the year ended December 31, 2005, as well as the corresponding periods for 2001 through 2004. Allergan believes that its presentation of historical non-GAAP financial measures provides useful supplementary information to investors. The presentation of historical non-GAAP financial measures is not meant to be considered in isolation from or as substitute for results prepared in accordance with accounting principles generally accepted in the United States.

In this Annual Report, Allergan reported the non-GAAP financial measure of "adjusted earnings" and related "adjusted earnings per share." Allergan uses adjusted earnings to enhance the investor's overall understanding of the financial performance and prospects for the future of Allergan's core business activities. Specifically, Allergan believes that a report of adjusted earnings provides consistency between its current, past and future periods. Adjusted earnings is one of the primary indicators management uses for planning and forecasting in future periods. Allergan also uses adjusted earnings for evaluating management performance for compensation purposes.

In this Annual Report, Allergan also reported sales performance using the non-GAAP financial measure of constant currency sales. Constant currency sales represent current period reported sales adjusted for the translation effect of changes in average foreign currency exchange rates between the current period and the corresponding period in the prior year. Allergan calculates the currency effect by comparing adjusted current period reported amounts, calculated using the monthly average foreign exchange rates for the corresponding period in the prior year, to the actual current period reported amounts. Management refers to growth rates in constant currency so that sales results can be viewed without the impact of changing foreign currency exchange rates, thereby facilitating period to period comparisons of Allergan's sales. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates will be higher or lower, respectively, than growth reported at actual exchange rates.

(a) Transition/duplicate operating expenses, consisting of cost of sales of $0.3 million; selling, general and administrative expense of $3.8 million and research and development expense of $1.5 million.

(b) Restructuring charge of $43.8 million and related inventory write-offs of $0.2 million.

(c) Gain on sale of assets primarily used for Advanced Medical Optics contract manufacturing ($5.7 million), gain on sale of distribution business in India ($7.9 million), and gain on sale of a former manufacturing plant in Argentina ($0.6 million).

(d) Costs related to the acquisition of Inamed Corporation of $0.4 million.

(e) Buy-out of license agreement with Johns Hopkins University.

(f) Interest income related to previously paid state income taxes and reversal of interest expense related to tax settlements.

Year Ended December 31, 2003			Year Ended December 31, 2002			Year Ended December 31, 2001		
GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted
$1,672.7	$ —	$1,672.7	$1,357.2	$ —	$1,357.2	$1,142.1	$ —	$1,142.1
82.7	—	82.7	27.8	—	27.8	—	—	—
1,755.4	—	1,755.4	1,385.0	—	1,385.0	1,142.1	—	1,142.1
242.5	—	242.5	191.4	(3.7) (r)	187.7	198.1	—	198.1
77.8	—	77.8	30.3	—	30.3	—	—	—
1,435.1	—	1,435.1	1,163.3	3.7	1,167.0	944.0	—	944.0
1.5	—	1.5	3.7	—	3.7	4.2	—	4.2
697.2	—	697.2	623.8	(39.2) (s)	584.6	481.0	(2.9) (w)	478.1
763.5	(458.0) (n)	305.5	233.1	(4.7) (t)	228.4	227.5	(40.0) (x)	187.5
—	—	—	118.7	(118.7) (u)	—	—	—	—
—	—	—	—	—	—	(0.7)	—	(0.7)
(0.4)	0.4 (o)	—	62.4	(62.4) (o)	—	(1.7)	1.7 (y)	—
(23.7)	457.6	433.9	129.0	228.7	357.7	242.1	41.2	283.3
13.0	—	13.0	15.8	—	15.8	30.6	—	30.6
(15.6)	—	(15.6)	(17.4)	—	(17.4)	(18.1)	—	(18.1)
—	—	—	(30.2)	30.2 (z)	—	(4.5)	4.5 (z)	—
(0.3)	0.3 (l)	—	(1.7)	1.7 (i)	—	4.2	(4.2) (l)	—
(2.9)	0.9 (p)	(2.0)	(5.7)	1.0 (v)	(4.7)	6.0	(6.5) (aa)	(0.5)
(5.8)	1.2	(4.6)	(39.2)	32.9	(6.3)	18.2	(6.2)	12.0
(29.5)	458.8	429.3	89.8	261.6	351.4	260.3	35.0	295.3
22.2	101.1 (q)	123.3	25.1	73.3 (q)	98.4	88.5	(1.5) (q)	87.0
0.8	—	0.8	0.7	—	0.7	0.6	—	0.6
$ (52.5)	$ 357.7	$ 305.2	$ 64.0	$ 188.3	$ 252.3	$ 171.2	$ 36.5	$ 207.7
$ (0.40)	$ 2.74	$ 2.34	$ 0.49	$ 1.46	$ 1.95	$ 1.30	$ 0.28	$ 1.58
$ (0.40)	$ 2.70	$ 2.30	$ 0.49	$ 1.43	$ 1.92	$ 1.29	$ 0.26	$ 1.55
$1,755.4	$ (45.9) (ab)	$1,709.5	$1,385.0	$ 6.5 (ab)	$1,391.5	$1,142.1	$ 28.8 (ab)	$1,170.9

(g) Termination of ISTA Vitrase collaboration agreement (including interest income of $0.1 million).

(h) Gain on sale of third party equity investment.

(i) Unrealized gain/(loss) on the mark-to-market adjustment to derivative instruments.

(j) Total tax effect for non-GAAP pre-tax adjustments of $(1.7) million, resolution of uncertain tax positions of $(24.1) million, additional benefit for state income taxes of $(1.4) million and $49.6 million related to the repatriation of foreign earnings that had been previously permanently reinvested outside the United States.

(k) Minority interest related to gain on sale of distribution business in India.

(l) Income from a patent infringement settlement.

(m) Favorable recovery of previously paid state income taxes and the tax effect for non-GAAP adjustments.

(n) In-process research and development charge related to the acquisition of Bardeen Sciences Company, LLC and Oculex Pharmaceuticals, Inc.

(o) Restructuring charge (reversal) and asset write-offs, net related to the spin-off of Advanced Medical Optics.

(p) Loss on early extinguishment of debt.

(q) Tax effect for non-GAAP adjustments.

(r) Duplicate operating expenses of $2.6 million and restructuring charge and asset write-offs of $1.1 million related the spin-off of Advanced Medical Optics.

(s) Duplicate operating expenses incurred related to the spin-off of Advanced Medical Optics.

(t) Duplicate operating expenses of $0.7 million and partnering collaboration expense of $4.0 million.

(u) Legal settlement regarding LUMIGAN®.

(v) Partnering deal settlement of $5.0 million, gain on sale of facility (spin-related) of $5.7 million and loss on early extinguishment of debt of $11.7 million.

(w) Duplicate operating expenses of $4.4 million related to the spin-off of Advanced Medical Optics, net of $1.5 million from a partnering agreement.

(x) In-process research and development charge related to the acquisition of Allergan Specialty Therapeutics, Inc.

(y) Restructuring charge reversal related to the 1998 restructuring charge.

(z) Mark-to-market loss on investments and related third party collaborations.

(aa) Gain on sale of facility (1998 restructuring-related) of $4.5 million and $2.0 million gain on the sale of divested pharmaceutical products in Brazil.

(ab) The adjustment to measure sales using constant currency.

To Our Investors

ANOTHER YEAR OF STRONG RESULTS

It is gratifying to report that Allergan's 2005 operating results were among the very best since I joined the Company as Chief Executive Officer in 1998. Pharmaceutical sales increased by 17 percent to $2.3 billion and all of our businesses and operating regions produced double-digit sales growth. Including the effect of a one-time Internal Revenue Service (IRS) tax settlement reached in February 2006, diluted earnings per share (EPS) increased by a strong 23 percent, adjusted for restructuring in Europe and Japan, and for the termination of our contract manufacturing agreement with Advanced Medical Optics (AMO), a company spun off in 2002, as well as for certain other transaction gains and losses [1]. Had Allergan not achieved this IRS tax settlement, adjusted EPS would still have grown a robust 20 percent. Our high adjusted EPS growth was achieved while continuing to invest fully in the long-term future of our company.

Within the attractive, high-growth specialty markets we serve, we were able to steadily strengthen our positions in several key areas. For the third consecutive year, Allergan has been the fastest-growing global ophthalmology company in the world when one excludes retinal therapeutics [2], a segment in which Allergan's research and development (R&D) candidates have not yet been commercialized. Further market share gains were recorded in our U.S. dermatology unit. Finally, the estimated global share of our BOTOX® franchise increased from 85 percent to 86 percent [3], even in the face of increasing competition.

The strong 2005 results were a clear reflection of increased and improved management focus on the greatest opportunities within our portfolio. In mid-2004 we experienced a disappointing, but thankfully for Allergan, a rare set-back when we received a non-approvable letter from the U.S. Food & Drug Administration (FDA) for TAZORAL™, our innovative oral medication for psoriasis. Denied this sales growth driver for 2005, we were forced to re-examine our other prospects. Rebounding from this challenge, we focused our commercial efforts on our key opportunities for growth and dedicated our attention and funds to BOTOX® Cosmetic/VISTABEL®/VISTABEX™, BOTOX® therapeutic, RESTASIS® and LUMIGAN®.

For each of these leading products, we were able to achieve significant results and in several instances have created major new markets as we addressed unmet medical needs and harnessed the power of direct-to-consumer advertising to inform our patients. BOTOX® Cosmetic is, for the fourth consecutive year, the No. 1 cosmetic procedure administered in the offices of U.S. dermatologists and plastic surgeons [4]. Also, in terms of positive brand media awareness, BOTOX® ranks, amongst all pharmaceuticals, second only to VIAGRA® worldwide.

In Europe we made significant investments in introducing VISTABEL®/VISTABEX™, the European trade names for BOTOX® Cosmetic, to many major markets and we received marketing approvals in the important countries of Germany and the United Kingdom in January 2006. Within the BOTOX® therapeutic franchise, we have continued to educate physicians and their patients about the use of BOTOX® as an innovative alternative in treating hyperhidrosis, or excessive sweating. BOTOX® continued its strong trajectory of growth, increasing global sales by 18 percent from 2004 to $831 million. Presently, BOTOX® is approved for 20 indications in more than 75 countries, with an estimated 57 percent of sales relating to therapeutic uses and 43 percent to aesthetic use.

RESTASIS® is the only therapeutic agent approved in the United States to treat dry eye disease, in contrast to traditional artificial tears which are designed to alleviate the symptoms. In 2005 we were able to increase global RESTASIS® sales by 91 percent to $191 million. Early in the year, we bought out our patent royalty obligations relating to RESTASIS® from Novartis, which permitted us to invest in heavy direct-to-consumer advertising. LUMIGAN® consolidated its position, increasing global sales by 15 percent to $268 million and establishing its position as the 4th largest glaucoma drug in the world by value [2].

Expenditures on R&D, adjusted for non-GAAP items, increased by 12 percent to $387 million [5], or 17 percent of pharmaceutical-only sales. Within Allergan's rapidly growing R&D organization, our goals are to support the benefits of increasing scale by creating dedicated

(1) Adjustments to GAAP diluted earnings per share used to calculate diluted earnings per share growth, adjusted for non-GAAP items, include the aggregate non-GAAP adjustments, net of tax, detailed on pages 2 and 3 in this Annual Report. Diluted earnings per share growth using GAAP net earnings was 6.7 percent for 2005.

(2) Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2005, in constant exchange, for the trailing 12 months, as of September 2005.

(3) Allergan market estimates.

(4) The American Society for Aesthetic Plastic Surgery (ASAPS) 2005 Cosmetic Surgery National Data Bank.

(5) Adjustments to GAAP research and development expense used to calculate research and development expenditures, adjusted for non-GAAP items, include $1.5 million of transition/duplicate operating expenses and a $3.0 million buy-out of a license agreement in 2005. GAAP research and development expense was $391 million in 2005, a 13 percent increase from 2004.

Building leadership positions in specialties

leadership within each therapeutic area. We are increasing our focus on the top tier clinical development programs. In addition, we are setting clear objectives for the discovery group in terms of new compounds that will transition from the laboratory to human clinical use.

During 2005, we received approval for COMBIGAN™, a fixed combination of brimonidine and timolol, in all member states of the European Union, Australia, Mexico and Argentina. We expect this powerful new combination therapy to be an important driver for Allergan's glaucoma franchise in 2006. We also received approval for the newest line extension of ALPHAGAN® from the FDA — ALPHAGAN® P 0.1% — which we launched in the United States in early 2006. Thanks to the innovative formulation of this product, we are able to reduce drug exposure and achieve equivalent efficacy to the original ALPHAGAN®.

Allergan's financial performance for the year was also robust, generating $425 million of operating cash flow, return on equity of 29 percent and return on capital of 20 percent, both adjusted for non-GAAP items (6). This places Allergan in the top quartile of the pharmaceutical industry and provides us with flexibility for strategic transactions in the future.

CHANGE AND CONTINUING EVOLUTION OF ALLERGAN'S BUSINESS MODEL

The long-term vibrancy of our business will continue to be driven by the discovery, development and approval of innovative new medicines, new devices and new procedures as well as our focus on the needs of physicians and their patients. In addition, we are constantly searching for ways to increase operational efficiencies. In 2005, we made several significant structural changes to our business, including:

- Restructuring of our European commercial and R&D operations; and
- Out-licensing of BOTOX® in Japan and China to GlaxoSmithKline (GSK); and co-promotion of GSK's IMITREX STATdose System® and AMERGE®, which are indicated for migraine treatment in the United States.

As a consequence of these two projects we will close our R&D centers in France and Japan, concentrating all our clinical development for Europe in the United Kingdom and increasing benefits of scale in our Irvine, California facility. This transitions us from a 4-center to a 2-center R&D network. At the end of 2005, California Governor Arnold Schwarzenegger opened our new R&D facility, the Herbert Research Center, named in honor of our founder and Chairman Emeritus, Gavin Herbert, at Allergan's headquarters in Irvine.

Commercially in Europe, we have concentrated our marketing teams in Allergan's UK office and specialized individual country operations on sales and promotional activities. The benefits of focusing our efforts on national customers were rapidly realized as the European region enjoyed one of its best annual growth results, even in the midst of this reorganization.

The transaction with GSK yielded a double benefit. We were operating at a sub-scale level in Japan and China. GSK should be in a position to sell more BOTOX® than Allergan in those markets and will invest more aggressively in new BOTOX® clinical indications. In the United States, the financial contribution from GSK has permitted us to double our neurosciences sales force. It will also enable us to gain an in-depth understanding of the headache/migraine market, as we embark on our Phase III clinical development program for BOTOX® in this indication.

Demonstrating that our efforts are focused on innovation and our customers, Allergan is in a unique position for a pharmaceutical company. We are vertically integrated into manufacturing and discovery research with more than 50 percent of our current workforce engaged either in R&D or field sales.

Beyond the structural change described above, there are continuing changes both within the ranks of our senior management and on our Board of Directors. Within Allergan's Executive Committee, Jackie Schiavo, who ably led Global Technical Operations, retired after 24 years with the Company. In addition, Eric Brandt, Allergan's Chief Financial Officer, who made significant contributions during the last six years, left to accept a CEO position at a biopharmaceutical company. In both cases, we were able to fill the roles with highly competent and qualified internal candidates. On the Board of Directors, Louis Rosso, Chairman Emeritus of Beckman Coulter, retired after 16 years and Karen Osar retired after seven years of service. While their counsel will be greatly missed, we were able to replace the retiring Directors

(6) Adjustments to GAAP net earnings used to calculate return on equity, adjusted for non-GAAP items, and return on capital, adjusted for non-GAAP items, include the aggregate non-GAAP adjustments, net of tax, detailed on pages 2 and 3 in this Annual Report. Return on equity using GAAP net earnings was 26 percent in 2005. Return on capital using GAAP net earnings was 17 percent in 2005.

Our strategy is to create leadership positions offering a broad range of innovative, market-leading products

with exceptional individuals who bring strategic skills and outstanding knowledge of our industry: Robert Ingram, Vice Chairman of Pharmaceuticals for GlaxoSmithKline, and Louis Lavigne, former Chief Financial Officer of Genentech.

A UNIQUELY FOCUSED STRATEGY

For many years, Allergan has employed a unique strategy of focusing on areas of unmet medical needs within specialty pharmaceutical markets that are served by a limited number of physicians both in the United States and around the world. These customer groups can be served by a modest number of sales representatives. In addition, we are positioned to form deep relationships with opinion leaders and academic institutions in these specialist fields. We have been able to combine revenue diversity (through a broad proprietary product portfolio and global R&D development capability that is similar to large, fully integrated pharmaceutical companies) with the high-growth and lean operating models of specialty pharmaceuticals and the strong pipeline characteristics of biotech.

Innovation at Allergan has been either entirely "home grown" or based on licenses and collaborations at various stages of a product's development. Our strong positions in key markets and global reach in some of our businesses have made us an attractive partner for other companies with technology available for partnering. Our strategy is to create leadership positions offering a broad range of innovative, market-leading products in the high-growth specialties of ophthalmology, dermatology, plastic surgery, neurology, urology and gastroenterology.

OUTLOOK

In November 2005, we announced an unsolicited offer to acquire Inamed Corporation, a global health care company with more than $400 million in 2005 sales, based in Santa Barbara, California. In addition to successfully integrating Inamed into our organization and driving growth from Allergan's portfolio of approved products, a major focus of senior management is to continue to advance and build out Allergan's R&D pipeline.

In our ophthalmology pipeline, we are focused on retinal therapeutics to treat age-related macular degeneration (the leading cause of blindness in developed countries [7]), macular edema and other retinal diseases. Further to Allergan's acquisition of Oculex Pharmaceuticals in 2003, we obtained a bioerodable implant which is one of the best patent protected proprietary technologies for delivering drugs to the back of the eye, with fewer treatment cycles per year compared to current intraocular treatments. In addition, we are investigating the use of dexamethasone for the treatment of macular edema associated with retinal vein occlusion and diabetes through our drug delivery system. We are also investigating a novel formulation of triamcinolone for these indications. Including other earlier stage products that harness RNAi technology and other compounds to block VEGF, Allergan currently has one of the broadest product pipelines of any ophthalmology company addressing retinal disease.

In the BOTOX® area, major Phase III clinical programs have been initiated for chronic daily headache and neurogenic overactive bladder. To build on our BOTOX® leadership, we are working on a next-generation neuromodulator that can be targeted to specific tissues and offers the potential to treat a host of new diseases.

In the area of new technologies we are also excited by our unique class of alpha agonists to treat pain, an area of opportunity for non-addictive and non-sedating compounds, as well as our proton pump inhibitor program for the treatment of gastric ulcers.

For all of our accomplishments in 2005, I wish to recognize the hard work, creativity and dedication of the talented Allergan employees around the world. The integration of Inamed will place additional demands on our already lean organization, but I am confident that our integration teams will do a superb job. The pharmaceutical industry is undergoing great change, and as management assessed the Inamed transaction, as well as other strategic projects, we were able to draw heavily on the depth and strength of experience of the exceptional Allergan Board of Directors. I wish to thank everyone for making 2005 another successful year.

David E.I. Pyott
Chairman of the Board and Chief Executive Officer

[7] World Health Organization Web site. Magnitude and Causes of Visual Impairment. Available at: http://www.who.int/mediacentre/factsheets/fs282/en/. Accessed March 1, 2006.

Acquisition of Inamed

The goal of the acquisition of Inamed is to create a world-leading franchise in medical aesthetics in the dermatology and plastic surgery channels in the United States and many markets around the world, and furthermore, to realize cross-selling opportunities between our large and growing BOTOX® Cosmetic/VISTABEL®/VISTABEX™ franchise and Inamed's product lines.

Inamed's portfolio of businesses — breast aesthetics, dermal fillers and obesity intervention products, led by the proprietary LAP-BAND® device — are each positioned in specialty markets that offer attractive high-growth characteristics. The growth of these markets is driven by a global trend of increasing personal expenditures on health and appearance. The LAP-BAND® addresses the global obesity health crisis with one of the least invasive surgical options.

Another attractive characteristic of Inamed is that the breast aesthetics and dermal filler markets are primarily cash businesses where the patients pay out-of-pocket. Although we are confident that we are in an excellent position regarding contracting with Medicare Part D providers thanks to our strong market positions in our specialties, Inamed's cash businesses provide a good hedge against the future potential of a more restrictive reimbursement environment. Our assessment is that Allergan's skills in reimbursement as well as marketing and direct-to-consumer advertising of health products will add great value to the Inamed businesses.

In March 2006, our acquisition of Inamed was approved by the U.S. Federal Trade Commission (FTC) and was previously cleared by the antitrust authorities in Germany and Spain in January 2006.

At the close of the transaction we paid Inamed's stockholders a combination of cash and Allergan stock valued at approximately $3.3 billion. Thanks to synergies that we expect to realize in our sales and marketing operations based on overlap in the sales channels between Allergan and Inamed products as well as a reduction in combined administrative expenses, we believe that the transaction will be neutral to our adjusted EPS in 2006 and will generate financial accretion to adjusted EPS in 2007. We have already proceeded rapidly with integrating Inamed into our worldwide operations with the goal of completing the key processes within 100 days after closing.

Inamed's clinical development pipeline should provide further growth catalysts in the short-term. In September 2005, Inamed received an approvable letter from the FDA for its filing of a Pre-Market Approval (PMA) application for its responsive gel silicone breast implants. The same responsive gel implants, along with a new and unique BIODIMENSIONAL® Cohesive Gel Matrix implant, are under review by the FDA and Health Canada. Where silicone and saline implants are available, physicians and their patients tend to prefer silicone to saline breast implants. In fact, in those international markets where both saline and silicone implants are available for breast augmentation, silicone captures approximately 90 percent of the market. Furthermore, silicone implants are sold overseas at a considerable premium to saline product prices, which should lead to a major expansion of the market in North America upon approval.

Also, in December 2005, Inamed completed its filing of a PMA application to the FDA for JUVÉDERM™, a dermal filler licensed from the Corneal Group in France. JUVÉDERM™ is a next-generation hyaluronic acid and one of the most competitive dermal fillers in the world, marketed under the trade name HYDRAFILL™ in Europe. We expect to receive approval for JUVÉDERM™ in the United States between late 2006 and early 2007.

OUR STRATEGY:

Delivering on our promise

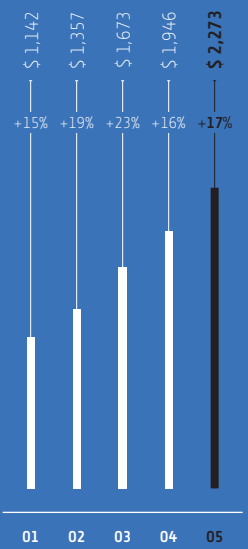
WHAT DISTINGUISHES US Allergan is uniquely positioned in the pharmaceutical industry, in large part due to our strong franchises in high-growth specialty markets. With our groundbreaking products and exceptional customer service, we are helping to change the way specialized medicine is practiced.

Our company has a track record of combining strong science with business acumen to anticipate and respond to market need. We combine the lean operating procedures and high-growth characteristics of the specialty model, the diversified product portfolio and global integrated R&D capabilities of much larger pharmaceutical companies, and the strong pipeline characteristics of biotech players. In short, we are large enough to command sufficient resources, yet small enough for nimble execution. And we have a uniquely talented leadership team and work force focused on delivering sustainable growth.

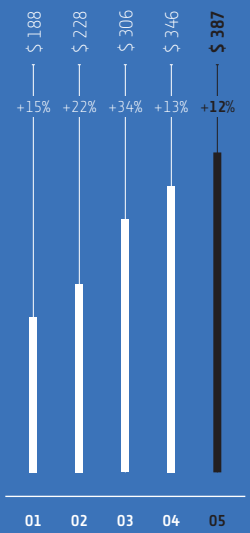
OUR VISION Quite simply, our vision is to dive deeper and reach further in all that we do. Since our founding, it has been our practice to develop an unparalleled level of insight into the wants and needs of our customers and their patients. Allergan is distinguished by employing more than 50 percent of our current workforce in either R&D or sales, ensuring our efforts are focused on innovation and our customers. This enables us to implement operational strategies that provide the greatest value for the physicians and patients who place their trust in us. And it helps us deliver attractive returns to stockholders.

OUR COMMITMENT As we look to the future, we seek to deepen our position as a leading specialty pharmaceutical company that is high-growth, results-driven and innovative. We will continue to address unmet medical needs through our highly integrated R&D efforts and through our strong physician/patient focus. For example, we have one of the broadest product pipelines of any company working on retinal diseases such as age-related macular degeneration. Significant progress is expected to be made in treating these diseases over the next decade, and Allergan will be at the forefront of these advances.

Allergan will continue to seek new opportunities to strengthen our positions in our existing specialty businesses, including ophthalmology, neurosciences, medical dermatology and medical aesthetics, and in new ones such as urology and gastroenterology. Most of our discovery and development programs are developed internally, which sets us apart from other specialty pharma companies, but we will continue exploring new market opportunities and search for partnerships and superior technologies that are complementary to our own specialty business model. We will continue to use science and innovation to address unmet medical needs while investing sufficiently into R&D to fuel future growth. This is our unwavering commitment.

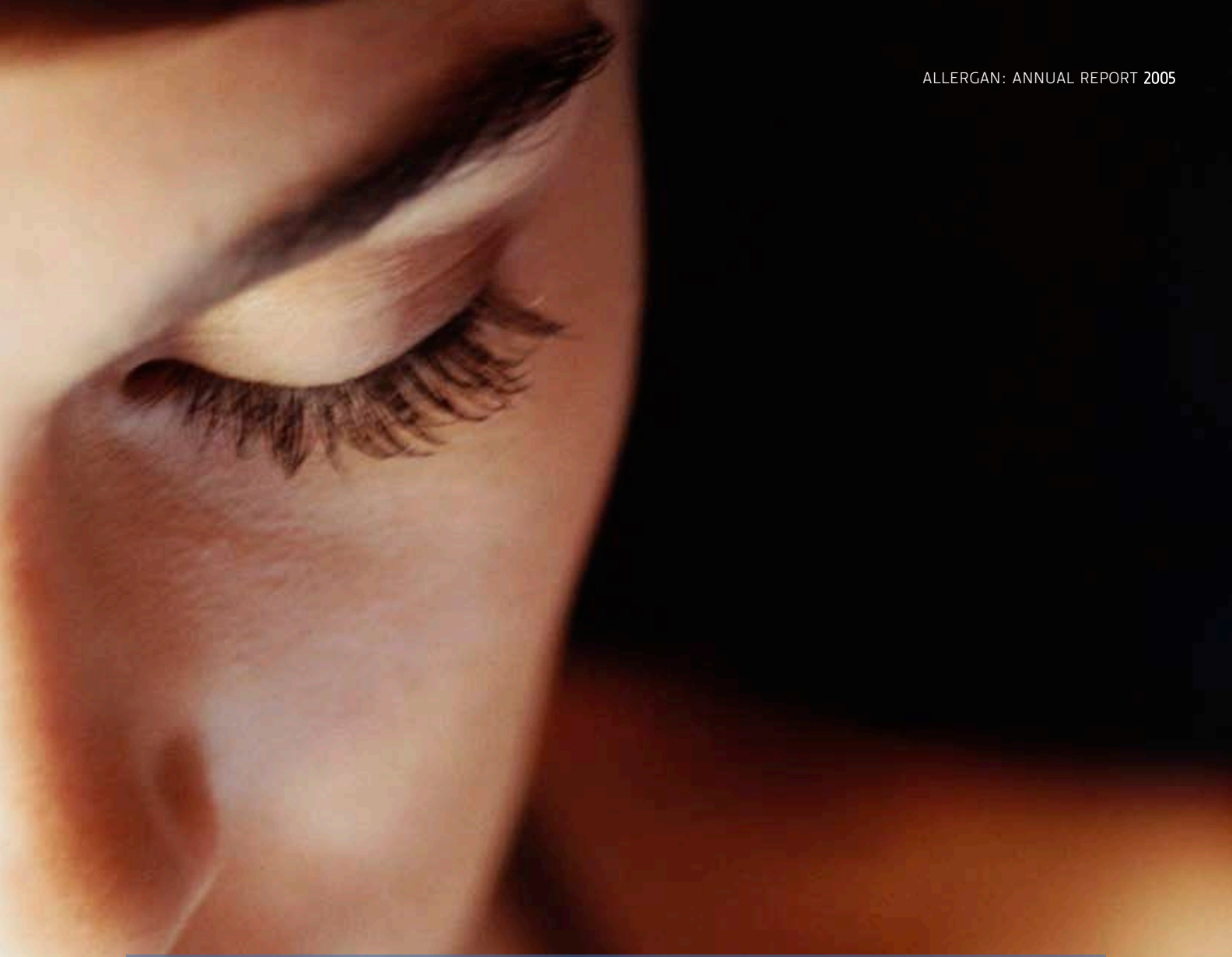


PHARMACEUTICAL SALES/GROWTH
(in millions of dollars)



R&D EXPENDITURES/ GROWTH
(in millions of dollars)
(adjusted for non-GAAP items)*

* Adjustments to GAAP research and development expense used to calculate research and development expenditures, adjusted for non-GAAP items, include the following: $1.5 million of transition/duplicate operating expenses and a $3.0 million buy-out of a license agreement in 2005, $458.0 million in-process research and development charge in 2003 related to the acquisition of Bardeen Sciences Company, LLC and Oculex Pharmaceuticals, Inc., $0.7 million duplicate operating expenses and $4.0 collaboration expense in 2002, and $40.0 million in-process research and development charge in 2001 related to the acquisition of Allergan Specialty Therapeutics, Inc. GAAP research and development expense was $391.0 million, $345.6 million, $763.5 million, $233.1 million and $227.5 million in 2005, 2004, 2003, 2002 and 2001, respectively. GAAP research and development expense growth (decline) was 13%, (55%), 228%, 2% and 37% for 2005, 2004, 2003, 2002 and 2001, respectively.



We are dedicated to improving lives

People rely on Allergan products to improve the quality of their lives and we apply science and innovation to accomplish that goal. At Allergan that is more than a commitment. It is a covenant that we have held to for more than half a century. We have been unwavering in our pursuit and development of new therapeutics to treat eye diseases from glaucoma to chronic dry eye. We treat serious skin diseases such as psoriasis and severe acne with one of the most technologically advanced products in dermatology. Our development of BOTOX®, one of the world's most versatile medicines, has bettered life for millions of people around the world who suffer from a variety of serious or debilitating disorders, and our launch of BOTOX® Cosmetic/ VISTABEL®/VISTABEX™ has created a new market in facial aesthetics. In keeping with our focus on high-growth specialty markets, we are meeting the therapeutic and aesthetic needs of people as they age. And with products designed to maintain health and appearance, we are dedicated to improving well-being for people at every stage of life.

OUR BUSINESS:

Achieving critical mass

IN OUR OPERATIONS Allergan continues to generate high margins and deliver strong results to our stockholders, with double-digit sales growth in 2005 across all regions and all product franchises. One key to achieving this has been our continuous effort to streamline our business and increase productivity in all our worldwide operations. We are meticulous and vigilant about operational efficiency and highly focused in our R&D effort.

As part of this ongoing strategy, in 2005 we initiated the restructuring of our European commercial operations and the consolidation of our worldwide R&D network. This included the closure of our R&D centers in France and Japan and the consolidation of all our European clinical development activities into the United Kingdom. Wherever we conduct business, in every activity we undertake, we continue to concentrate our resources on areas that provide the most opportunities for growth and leadership. This creates value for the investors who support our vision. We take that mission seriously and were proud to be named the "most shareholder-friendly" specialty pharmaceutical in an industry survey (1).

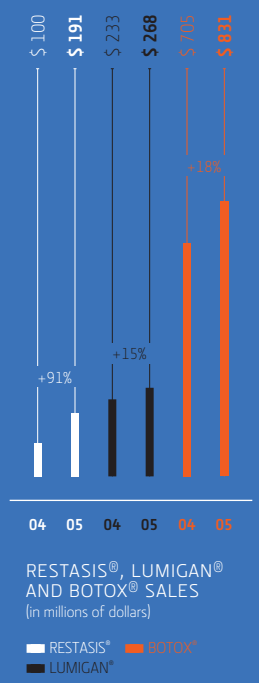
IN OUR SALES AND MARKETING Allergan products are available in more than 100 countries today and 2005 worldwide sales exceeded $2.3 billion. Our ophthalmology business is Allergan's fastest-growing — which is particularly gratifying given our more than 55-year heritage as a leader in this field — and we have just finished our third straight year as the fastest-growing eye care company in the world (excludes retinal therapeutics) (2). Our agreement with GlaxoSmithKline (GSK) to accelerate development and commercialization of BOTOX® in Japan and China while we co-promote GSK's leading migraine products IMITREX STATdose System® and AMERGE® in the United States is meeting our strategic goal for building our BOTOX® franchise, while broadening our neurology portfolio and doubling the size of our U.S. neurology sales force. Our GSK collaboration is also enabling us to gain valuable expertise in the headache/migraine market segments as we enter into Phase III clinical trials exploring the use of BOTOX® for the treatment of chronic daily headache.

Allergan utilized powerful direct-to-consumer advertising campaigns and dedicated other significant resources during 2005 to support our flagship products including BOTOX® Cosmetic/VISTABEL®/ VISTABEX™ and BOTOX® for therapeutic use in our neurosciences business, and RESTASIS® and LUMIGAN® in our ophthalmology portfolio. We saw excellent growth in European sales as we sharpened our focus there by centralizing all marketing operations into a single UK location and focusing the national organizations on local promotion and selling efforts.

IN OUR MARKET REACH By continually bringing innovative treatments to market, we have earned a reputation as a different kind of pharmaceutical company. With our intense focus on addressing unmet medical needs we often create major new markets, as we have done in dry eye therapeutics with RESTASIS® and in facial aesthetics with BOTOX® Cosmetic/VISTABEL®/ VISTABEX™. With our acquisition of Inamed, we will create a world-leading medical aesthetics franchise offering a complementary range of products to patients and customers and significant cross-marketing and cross-selling opportunities to dermatologists, plastic surgeons and other medical aesthetic specialists. Our company is growing stronger, and our products are helping millions of patients around the world.

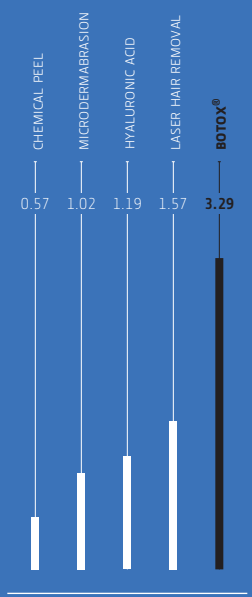
(1) *Institutional Investor* magazine, Survey of America's Most Shareholder-Friendly Companies, Allergan was named #1 in the Health Care sector, Pharmaceuticals / Specialty category, February 15, 2006.

(2) Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2005, in constant exchange, for the trailing 12 months, as of September 2005.



RESTASIS®, LUMIGAN® AND BOTOX® SALES
(in millions of dollars)

RESTASIS®
BOTOX®
LUMIGAN®



BOTOX® COSMETIC #1 FOR 2005 NON-SURGICAL AESTHETIC PROCEDURES*
(in millions of procedures)

* The American Society for Aesthetic Plastic Surgery (ASAPS) 2005 Cosmetic Surgery National Data Bank.

We are committed to leadership and growth

Allergan delivers "big pharma" benefits without the bureaucracy and overhead that slows down decision making. We are entrepreneurial and fast-moving and it helps to have one of the best-rated CEOs in America [1]. In addition, our company has earned distinction as "the most admired specialty pharmaceutical company [2]." We are growing industry-leading franchises in high-growth specialty markets where we can develop deep relationships with our customers. Our therapeutic pharmaceuticals treat serious maladies. Our aesthetic treatments help people lead more fulfilled lives. In both areas, we are committed to being best in class and we are uncompromising in our effort to achieve and maintain that standard.

(1) *Institutional Investor* magazine, Survey of the Best CEOs in America, Allergan's David Pyott was rated #1 in the Specialty Pharma category, January 2005.

(2) *Med Ad News*, Annual poll "Top 10 Most Admired Specialty Pharma Companies", Allergan was named #1, October 2004.

OUR PRODUCTS:

Addressing unmet medical needs, building leadership in specialty markets

IN OPHTHALMOLOGY Allergan has been a world leader in ophthalmology for more than half a century. Our breakthrough RESTASIS® product pioneered a whole new market as the first and only therapeutic for treating chronic dry eye due to decreased tear production. Chronic dry eye is one of the most common complaints seen by eye doctors, but until RESTASIS® there was little that could be done for these patients beyond offering palliative therapy. It is currently estimated that approximately 4 to 5 million Americans have dry eye — a number expected to increase as the population ages [1]. And our ALPHAGAN® product was the first alpha-2 agonist approved for the long-term treatment of elevated intraocular pressure and ocular hypertension. Our LUMIGAN® product, one of the most potent drugs to lower intraocular pressure, which has become the fourth largest glaucoma drug worldwide (by sales) [2] is another key growth driver in this high-growth specialty market. Looking to the future, a major strategic focus in our pipeline for this business is on back-of-the-eye diseases such as macular edema, diabetic retinopathy and age-related macular degeneration, the leading cause of blindness in developed countries [3].

IN NEUROSCIENCES BOTOX® is the foundation for our global leadership position in neuromodulator therapy, and it continues to demonstrate versatility based on more than 15 years of successful clinical experience in therapeutic and aesthetic applications. The success of this product provides dramatic evidence that our focus on R&D and leadership in specialty markets has the potential to create strong return on investment. Initially approved for only limited indications, BOTOX® has become a blockbuster franchise for us and is now approved for 20 different indications in more than 75 countries. In the top 10 markets of the world, our estimated share of the neuromodulator market is approximately 90 percent [4]. Building on our leadership in botulinum toxin research, we are investigating potential new uses for BOTOX® in the treatment of chronic daily headache, overactive bladder, post-stroke spasticity, benign prostatic hypertrophy and pain management.

IN MEDICAL AESTHETICS Our acquisition of Inamed diversifies our revenues, adds a complementary portfolio of premier brands and creates a world-leading medical aesthetics franchise. It builds on our established leadership position in medical aesthetics with BOTOX® Cosmetic/VISTABEL®/VISTABEX™ and enables us to offer a broad and unique mix of products and services to our customers and their patients, including dermal fillers, breast augmentation devices and obesity interventions. Inamed's BioEnterics® LAP-BAND® System (LAP-BAND®) is currently the only minimally invasive surgical approach in the United States to treating obesity. The LAP-BAND® (laparoscopic adjustable gastric band) is also the second-most-common bariatric procedure in the United States [5], and a leading bariatric procedure worldwide, having been implanted in more than 200,000 patients. This will become a key specialty market for our company as obesity is the second-leading preventable cause of death and is today considered the most prevalent epidemic in the United States and a public health crisis throughout the world.

IN MEDICAL DERMATOLOGY Because of our deep expertise in retinoids and alpha hydroxy acids, we are a leading company in the medical dermatology sector. Current growth drivers for this business include TAZORAC® and BOTOX® for hyperhidrosis. TAZORAC® was the first product fully developed by Allergan from "molecule to market." This flagship product has become the fastest-growing topical retinoid for acne in the United States [6] and is marketed in a growing number of international markets as ZORAC®. This year we added PREVAGE® MD (the most potent antioxidant currently available in a skin care product [7]) to our M.D. FORTE® physician-dispensed line. Furthermore, in 2006, we will be offering a new glycolic acid line, providing patients with a true continuum of care for the health of their skin.

(1) Allergan estimate based on Schaumberg D, Sullivan D, Buring J, Dana MR. Prevalence of dry eye syndrome among U.S. women. *Am J Ophthalmol.* 2003; 136: 318-326.

(2) Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2005, in constant exchange, for the trailing 12 months, as of September 2005.

(3) World Health Organization Web site. Magnitude and Causes of Visual Impairment. Available at: http://www.who.int/mediacentre/factsheets/fs282/en/. Accessed March 1, 2006.

(4) Allergan market estimates.

(5) American Society for Bariatric Surgery (ASBS), Millenium Research Group.

(6) Verispan (from the United States only), in U.S. dollars, for the trailing 12 months, as of September 2005.

(7) McDaniel DH, Neudecker BA, DiNardo JC, Lewis JA II, Maibach HI. Idebenone: a new antioxidant—part I. A relative assessment of oxidative stress protection capacity compared to commonly known antioxidants. *J Cosm Derm.* 2005; 4(1): 10-17.

We are driven by technology and innovation

Driven by technology and innovation, we continue to deliver significant growth while aggressively investing in new technologies and mutually beneficial partnerships. Our expenditures on R&D, adjusted for non-GAAP items, increased 12 percent this year, to $387 million [1] or an industry-leading 17 percent of pharmaceutical sales. Our powerful R&D program strengthens our leadership and enables us to meet unmet medical needs in established and emerging markets, including: ophthalmology, neurosciences, medical dermatology, medical aesthetics, urology, gastroenterology and other high-growth specialty areas. For example, we have one of the broadest product pipelines of any company pursuing retinal therapeutics. And among other achievements, we have moved several early stage technologies to the next decisive phase by completing Phase I clinical trials for both a proton pump inhibitor pro-drug for the treatment of gastrointestinal disease, to address the need for a therapy with true once-a-day dosing and sustained delivery of prolonged acid control; and for a unique class of alpha adrenergic agonists for neuropathic pain, to address the need for improved efficacy without common and debilitating side effects such as sedation and addiction.

[1] Adjustments to GAAP research and development expense used to calculate research and development expenditures, adjusted for non-GAAP items, include $1.5 million of transition/duplicate operating expenses and a $3.0 million buy-out of a license agreement in 2005. GAAP research and development expense was $391 million in 2005, a 13 percent increase from 2004.

Ophthalmology

Neurosciences

Medical Aesthetics

Medical Dermatology

PATIENT STORY: **01**

OPHTHALMOLOGY PATIENT: ROGER MARTIN, CONNECTICUT

Roger Martin is the third generation of his family to have glaucoma — both his mother and grandmother were blinded from the disease. Roger discovered he had glaucoma while taking his mother for her treatment. As the owner of a struggling restaurant, Roger had forfeited his health insurance just two weeks prior to his diagnosis. Fortunately for him, his ophthalmologist extended care to Roger out of loyalty to his family. This single act of kindness started Roger off on his mission to become a glaucoma advocate and prevent blindness for both himself and for others.

Roger sold his business and set out to raise awareness of glaucoma and bring high-tech educational screenings to the underserved. In 1997, the same year as his diagnosis, Roger founded the Connecticut Lions Eye Health Program Glaucoma Screening Initiative, which was named a pilot program by Lions International.

As Roger's advocacy endeavors continued, he had increasing difficulty managing his glaucoma. Medications only provided Roger with temporary relief, and his intraocular pressure (IOP) — a key measure of glaucoma progression — kept increasing. Finally, his ophthalmologist prescribed LUMIGAN® (bimatoprost ophthalmic solution) 0.03%, and within two weeks, his IOP levels decreased by half and have been maintained at the same level for the past four years. With his own disease under control, Roger's efforts have helped more than 100,000 people in 39 states obtain glaucoma screenings, including his wife Marie, whom he met attending one of these screenings. Roger hopes that through his work he can teach others that early glaucoma intervention with appropriate medication is the key to preventing blindness.

Roger Martin

PATIENT STORY: **02**

NEUROSCIENCES PATIENT: TOM STAMPE, NEW JERSEY

For a moment, try to imagine suffering from a condition that causes your chin to be stuck to your right shoulder. Imagine how this condition compromises the simple tasks you take for granted on a daily basis — the ability to eat, drive, shave or even look someone in the eye. Now imagine seeing many specialists about this problem, some saying that the problem is psychological. Finally, picture being prescribed 130mg of Valium a day to cope with the excruciating pain that accompanies this condition. This is a glimpse into the life of New Jersey resident Tom Stampe.

Tom, like 125,000 others across the country [1], suffers from cervical dystonia, a serious disorder characterized by involuntary spasms of the neck muscles, causing forward, backward and rotational tilting of the head. In Tom's case, the pain and anxiety was so intense that brain surgery was once considered a treatment option. However, Tom says it was "by the grace of God" that he found help: A nun his mother knew suffered from the same condition and recommended that he see a particular neurologist practicing at Columbia Presbyterian in New York — Mitchell Brin, M.D., who now serves as the Senior Vice President of Development and Therapeutic Area Head for BOTOX® and Neurology at Allergan. Dr. Brin diagnosed the condition as cervical dystonia and offered Tom an experimental new drug at the time — BOTOX® (botulinum toxin type A). Shortly after receiving BOTOX® injections, Tom's head and neck began to move freely — a feeling that Tom will never forget.

Fast forward 15 years. Life is different now for Tom Stampe. He enjoys the full range of motion in his head and neck that we all take for granted. Tom's new passion is helping others with dystonia and he currently serves as the President of the New York Chapter of the Dystonia Foundation, helping people understand that cervical dystonia can be effectively treated and is not a prison sentence. Tom is living proof.

[1] Spasmodic Torticollis (ST) Dystonia Web site. Available at: http://www.spasmodictorticollis.org/news_QASheet.cfm. Accessed March 1, 2006.


Tom Stampe

PATIENT STORY: **03**

MEDICAL AESTHETICS PATIENT: JANET MCMAHAN, TENNESSEE

Janet McMahan has always been an energetic and happy person with a positive attitude. Unfortunately for her skin, she also has always been a sun-worshiper. In fact, she loved the sun so much that she used to schedule her college classes around peak tanning hours. Over the years, the repeated sun exposure took its toll on her skin, breaking down the elastin and collagen that had once kept her young skin taut and beautiful.

As she approached middle age, daily stresses increased and the strength of her skin decreased. To her dismay, more and more people began asking Janet if she was tired, stressed or angry. Further, she knew she looked older than her true age. The final straw came one day while dropping her daughters off at school when a person commented on her beautiful "grandchildren." Janet decided then and there that it was time to take action and made an appointment with a local aesthetic-specialty physician.

During her initial facial analysis, Janet's physician explained that the glabellar lines (the two vertical lines between her brows), which look like the number 11, were significantly contributing to the negative expression on Janet's face. Her physician recommended treatment with BOTOX® Cosmetic (botulinum toxin type A) to relax the dominant muscles in her forehead, allowing her to lose her 11. Since receiving her first treatment of BOTOX® Cosmetic three years ago, Janet says that she has a new outlook on life. People no longer comment that she looks tired or stressed; instead they notice her cheerful and sunny disposition.


Janet McMahan

PATIENT STORY: **04**

MEDICAL DERMATOLOGY PATIENT: SARA COSTIN, CALIFORNIA

Sara Costin, a 35-year-old communications consultant in Los Angeles, has struggled with sporadic acne breakouts since she was a freshman in high school. In her teens, Sara tried managing her condition by taking a variety of over-the-counter drugs and antibiotics, but none of them provided her with lasting results. In her 20's, Sara also invested in professional facials to combat the acne, but to no avail.

Over the years, the breakouts took their toll on Sara, leaving her self-conscious in social situations and professional environments. She admits that she avoided socializing with friends at the beach and even went to great lengths to be certain that her back and shoulders were covered — even under the sweltering California sun. Living in Los Angeles, the beach is a big social activity. Not being able to participate, according to Sara, made her "feel like an outcast."

Things finally turned around for Sara when she began using TAZORAC® (tazarotene) cream 0.1%. Sara says she noticed an improvement immediately and has seen consistent results. For the first time in 15 years, Sara is confident in her treatment. The same person who was always conscious of covering her back and shoulders now no longer agonizes about her choice of clothing. More importantly, Sara now takes advantage of the gorgeous beaches of Southern California — something she missed out on for far too long.


Sara Costin

MARKETED PRODUCTS

OPHTHALMOLOGY

DRY EYE

REFRESH® Artificial Tears
Artificial tear products for various needs are led by the REFRESH® brand, the No. 1 doctor-recommended brand of artificial tear products (1), which includes: REFRESH PLUS®; REFRESH TEARS®; REFRESH P.M.®; REFRESH DRY EYE THERAPY™; REFRESH CONTACTS®; REFRESH LIQUIGEL®; and REFRESH ENDURA®, the first lubricant eye drop for dry eye that treats all three layers of the tear film. Additionally, Allergan markets REFRESH® CELLUVISC®. Other products marketed throughout the world include the lubricants LIQUIFILM®, CELLUFRESH® and LACRI-LUBE®.

RELIEF®
RELIEF® eye drops quickly remove redness due to dust, smoke and other pollutants and provide protection against further irritation from wind and the sun. This unique formula contains the effective lubricant, polyvinal alcohol, to soothe, cool and protect dry irritated eyes.

RESTASIS® (cyclosporine ophthalmic emulsion) 0.05%
The first and only treatment for increasing tear production in patients whose tear production is presumed to be suppressed due to ocular inflammation. RESTASIS® is the only therapeutic option on the market for people with dry eye disease that goes beyond providing temporary relief for the dryness and treats the underlying cause of the condition — ocular inflammation.

GLAUCOMA

ALPHAGAN® (brimonidine tartrate ophthalmic solution) 0.2%
The first alpha-2 agonist approved for the long-term treatment of elevated intraocular pressure (IOP) in patients with glaucoma and ocular hypertension. The ALPHAGAN® franchise is the third largest product line in the glaucoma market worldwide (2). The ALPHAGAN® franchise has been a leading therapy for reducing IOP in patients safely and effectively for nearly ten years.

ALPHAGAN® P (brimonidine tartrate ophthalmic solution) 0.1% and 0.15%
Preserved with PURITE®: A formulation containing brimonidine tartrate, a relatively selective alpha-2 agonist, which is the same active ingredient in ALPHAGAN®. ALPHAGAN® P is indicated for the lowering of intraocular pressure (IOP) and is comparable in efficacy to ALPHAGAN® with lower rates of ocular allergy. ALPHAGAN® P 0.1% is a new and improved formulation of the original ALPHAGAN® 0.2% and ALPHAGAN® P 0.15% indicated for lowering IOP in patients with open-angle glaucoma or ocular hypertension.

COMBIGAN™ (brimonidine tartrate/timolol ophthalmic solution)
ALPHAGAN®/timolol combination product indicated for the reduction of intraocular pressure (IOP) in patients with chronic open-angle glaucoma or ocular hypertension who are insufficiently responsive to topical beta-blockers. COMBIGAN™ is approved outside the United States, in all member states of the European Union, Canada, Australia, Mexico, Brazil and Argentina.

LUMIGAN® (bimatoprost ophthalmic solution) 0.03%
The first synthetic prostamide analog and an important component in the Company's growing position as a leader in glaucoma management. In the United States, it is indicated for the reduction of elevated intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension who are intolerant of other IOP-lowering medications or insufficiently responsive (failed to achieve target IOP determined after multiple measures over time) to another IOP-lowering medication.

EXTERNAL DISEASES (ocular infection, inflammation and allergy)

ACULAR® (ketorolac tromethamine ophthalmic solution) 0.5%
A non-steroidal anti-inflammatory (NSAID) used for a range of conditions including ocular allergy, photophobia, post-surgical ocular pain and inflammation.

ACULAR LS® (ketorolac tromethamine ophthalmic solution) 0.4%
The No. 1 prescribed non-steroidal anti-inflammatory (NSAID) in U.S. ophthalmology (3), specially formulated to reduce burning and stinging following corneal refractive surgery. ACULAR LS® delivers the proven NSAID performance and provides post-surgical patients with a comfortable recovery.

ALOCRIL® (nedocromil sodium) 2%
A fast-acting mast cell stabilizer approved to treat the itch associated with ocular allergy.

ELESTAT® / RELESTAT® (epinastine HCL ophthalmic solution) 0.05%
A topical antihistamine with mast cell stabilizing activity for the prevention of itching associated with allergic conjunctivitis. The compound inhibits binding to both H1 and H2 histamine receptors, to prevent recruitment and activation of pro-inflammatory medicators that can trigger and exacerbate the ocular allergic response.

OCUFLOX® (fluoroquinolone ofloxacin ophthalmic solution) 0.3%
Indicated for use in bacterial conjunctivitis and corneal ulcers due to susceptible bacteria (marketed as EXOCIN® in Europe and OFLOX® in Latin America).

PRED FORTE® (prednisolone acetate) 1%
A topical anti-inflammatory agent for ophthalmic use.

ZYMAR® (fluoroquinolone gatifloxacin ophthalmic solution) 0.3%
As the first FDA-approved fourth-generation topical fluoroquinolone indicated for the treatment of bacterial conjunctivitis due to susceptible bacteria, ZYMAR® represents a leading advancement in the eye care community in countering emerging antimicrobial resistance. Among U.S. ophthalmologists, ZYMAR® is the No. 1 prescribed fluoroquinolone due to its broad-spectrum activity and optimal formulation (3).

NEUROSCIENCES

BOTOX® (botulinum toxin type A) for Therapeutic Use
The most widely used botulinum toxin product in the world and the foundation of Allergan's global leadership in neuromodulator therapy. As the primary treatment for many focal movement disorders since the mid-1980s, indications for BOTOX® have expanded worldwide as scientists and physicians recognize its broad applicability and versatility.

Approved in the United States for:
- Blepharospasm (uncontrollable blinking)
- Cervical Dystonia (painful neck spasm)
- Severe Primary Axillary Hyperhidrosis (excessive sweating) inadequately managed with topical agents
- Strabismus (crossed eyes)

Approved in International Markets (4) for:
- Adult Post-Stroke Spasticity (increased rigidity in a group of muscles, causing stiffness and restriction of movement)
- Anal Fissure
- Back Pain
- Blepharospasm (uncontrollable blinking)
- Bruxism
- Cervical Dystonia (painful neck spasm)
- Essential Tremor
- Headache
- Hemifacial Spasm (involuntary contraction of facial muscles)
- Hyperhidrosis (excessive sweating)
- Hyperkinetic Facial Lines
- Juvenile Cerebral Palsy (muscles of one or more limbs are permanently contracted and stiff, making normal movement difficult in children)
- Multiple Sclerosis
- Myoclonic Disorders
- Nasal Labial Lines and Upper Facial Lines
- Overactive Bladder
- Spasmodic Dysphonia
- Strabismus (crossed eyes)
- VII Nerve Disorder

MEDICAL AESTHETICS

ANTI-WRINKLE TREATMENT

BOTOX® COSMETIC AND VISTABEL® AND VISTABEX™ (botulinum toxin type A)
Indicated for temporary improvement in the appearance of moderate to severe glabellar lines (vertical "frown lines" between the brows) in adult men and women ages 65 and younger.

BREAST AESTHETICS

Breast implant surgery is used for aesthetic augmentation or reconstruction purposes. Domestically, Inamed sells saline-filled breast implants (styles 68, 168, 468 and 363), tissue expanders, and provides silicone gel-filled breast implants through various clinical studies. Internationally, Inamed markets a comprehensive and broad portfolio of breast implant and tissue expander products that include saline-filled and silicone gel-filled breast implants. The innovative Style 410 BIODIMENSIONAL® Cohesive Gel Matrix implants are the company's flagship product line in these markets. These silicone gel-filled breast implants are primarily sold in Europe, the Middle East, Northern Africa, Latin America, Australia, New Zealand and Asia.

DERMAL FILLER PRODUCTS

CAPTIQUE®
Approved by the FDA in 2004 for the correction of moderate to severe facial wrinkles, CAPTIQUE® is a non-animal stabilized hyaluronic acid dermal filler. Hyaluronic acid is a natural sugar found in all living cells that attracts and binds water, hydrating the skin and giving it volume.

COSMODERM®1 AND COSMOPLAST®
The first and only human-based collagen dermal fillers that contain collagen purified from human dermal tissue processed under controlled laboratory conditions. COSMODERM® and COSMOPLAST® are marketed in the United States, Italy, Spain, Canada and New Zealand. These products restore skin structure, smoothing away unwanted lines and wrinkles by replenishing collagen lost with time, exposure to sunlight and other factors. As the first FDA-approved dermal fillers to not require a pre-treatment skin test, they deliver immediate results with no down time.

FACIAL IMPLANTS
Spectrum Facial Implants are designed to provide augmentation or reconstruction of the face, as well as rejuvenation of the aging face. Available in the United States in a full range of styles and sizes for the chin, nose, and cheek, these implants improve results by adding or restoring contours for a balanced and youthful face.

HYLAFORM®, HYLAFORM® PLUS AND HYLAFORM® FINELINE
This dermal filler adds volume to your skin by mimicking the skin's natural hyaluronic acid. HYLAFORM® provides immediate results and does not require a pre-treatment skin test. HYLAFORM® and HYLAFORM® PLUS were approved in the United States in 2004, while HYLAFORM®, HYLAFORM® PLUS and HYLAFORM® FINELINE are available in numerous markets across Europe, Latin America and Asia Pacific.

JUVÉDERM™
The JUVÉDERM™ dermal filler product line is a full range of products based on non-animal, cross linked, homogenous gel hyaluronic acid-based products. JUVÉDERM™ is available in Canada and several ex-U.S. markets, including the European Union where the product is marketed under the brand name HYDRAFILL™. JUVÉDERM™ has been filed with the FDA for approval in the United States. The product line includes a range of different formulations such as JUVÉDERM™ 18, JUVÉDERM™ 24 and JUVÉDERM™ 30 as well the advanced formulations of JUVÉDERM™ 24HV and JUVÉDERM™ 30HV.

ZYDERM®1, ZYDERM®2 AND ZYPLAST®
ZYDERM® and ZYPLAST® injectable collagen implants, introduced in 1981 and 1985, respectively, have set the standard in filler materials for smoothing facial lines, wrinkles and scars and in providing lip border definition.

GI SPECIALTIES

OBESITY INTERVENTION PRODUCTS

BIB® SYSTEM
BioEnterics® Intragastric Balloon (BIB®) System is a non-surgical alternative for the treatment of obesity. Endoscopically placed and inflated with saline, the BIB® System balloon (made of durable, elastic, high-quality silicone) partially fills the stomach to induce the feeling of fullness and support patients in reducing food intake. The BIB® System is available in several European countries; it is not currently available in the United States.

LAP-BAND® SYSTEM
BioEnterics® LAP-BAND® System (LAP-BAND®) is currently the only minimally invasive surgical approach to treating obesity in the United States. The LAP-BAND® (laparoscopic adjustable gastric band) helps achieve sustained weight loss by placing an adjustable band around the upper part of the stomach to reduce its capacity. Internationally, the LAP-BAND® has been in use since 1993 and is the preferred standard of care in Australia and Europe.

MEDICAL DERMATOLOGY

AVAGE® (tazarotene cream) 0.1%
A proven treatment to significantly reduce some of the specific signs associated with overexposure to the sun. AVAGE® is approved as an adjunctive agent in the topical treatment of facial fine wrinkling, mottled hypo- and hyper-pigmentation (blotchy skin discoloration), and benign facial lentigines (flat patches of skin discoloration) in patients using a comprehensive skin care and sunlight avoidance program.

AZELEX® (azelaic acid cream) 20%
A mild emollient and moisturizing treatment indicated for mild to moderate acne that allows for use under makeup, moisturizers, sunscreens and other topical medications.

FLUOROPLEX®
Indicated for the treatment of certain skin problems such as actinic (solar) keratoses (small red or skin-color growths that appear as a result of overexposure to the sun).

M.D. FORTE®
A physician-dispensed line of aesthetic skin care products containing alpha hydroxy acids for reducing the appearance of fine facial lines and wrinkles.

PREVAGE® MD
PREVAGE® MD anti-aging treatment contains idebenone 1%, scientifically shown to be the most powerful antioxidant available in a skin care product today (5). PREVAGE® MD protects the skin from environmental stressors known to cause skin aging including UV light, air pollution, ozone, and cigarette smoke. The antioxidative power of PREVAGE® MD anti-aging treatment has been shown to reduce the appearance of fine lines and wrinkles, as well as skin roughness and dryness, and to even skin tone to restore youthful-looking skin (6).

TAZORAC® GEL / ZORAC® GEL (tazarotene gel) 0.05% & 0.1% and TAZORAC® CREAM (tazarotene cream) 0.05% & 0.1%
A topical receptor-selective retinoid approved for the treatment of psoriasis.

TAZORAC® GEL / ZORAC® GEL (tazarotene gel) 0.1% and TAZORAC® CREAM (tazarotene cream) 0.1%
A topical receptor-selective retinoid approved for the treatment of acne.

(1) Verispan's Physician Drug & Diagnosis Audit (PDDA), February 2000 – January 2005.

(2) Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2005, in constant exchange, for the trailing 12 months, as of September 2005.

(3) Verispan (from the United States only), in U.S. dollars, for the trailing 12 months, as of September 2005.

(4) Approved in more than 75 countries outside the United States (approved indications vary from country to country).

(5) McDaniel DH, Neudecker BA, DiNardo JC, Lewis JA II, Maibach HI. Idebenone: a new antioxidant — part I. A relative assessment of oxidative stress protection capacity compared to commonly known antioxidants. *J Cosm Derm*. 2005; 4(1): 10–17.

(6) McDaniel DH, Neudecker BA, DiNardo JC, Lewis JA II, Maibach HI. Clinical efficacy assessment in photodamaged skin of 0.5% and 1.0% idebenone. *J Cosm Derm*. 2005; 4: 167–173.

The high-growth specialty markets in which Allergan holds leadership positions offer significant market opportunity

OPHTHALMOLOGY

- The market for ophthalmics (eye care pharmaceuticals and over-the-counter eye care products) is approximately $8.6 billion (1) and is growing at a rate of approximately 10 percent per annum (1).
- Allergan's market share is approximately 16 percent (1).
- For the third consecutive year, Allergan is the fastest-growing global ophthalmology company in the world (excluding retinal therapeutics) (1).
- Allergan has the world's largest ophthalmic sales force (excluding Japan).

NEUROSCIENCES

- The size of the "Top Ten" markets for neuromodulators is approximately $780 million (2) and these markets are growing at a rate of approximately 17 percent per annum (2).
- Allergan's market share in the top ten markets is approximately 90 percent (2).
- The worldwide market for neuromodulators is approximately $930 million (2) and this market is growing at a rate of approximately 19 percent per annum (2).
- Allergan's market share in the worldwide neuromodulator market is approximately 86 percent (2).

MEDICAL AESTHETICS

- Medical aesthetics is among the fastest-growing sectors in the health care arena.
- For the fourth consecutive year, BOTOX® Cosmetic is the No. 1 in-office cosmetic procedure conducted in the United States (3).
- Allergan was particularly attracted to Inamed because of the growth characteristics of its three products (dermal fillers, obesity intervention treatment and breast aesthetics). All three have the potential to grow at double-digit rates in the mid-term.

MEDICAL DERMATOLOGY

- The U.S. topical market for acne and psoriasis is approximately $1.2 billion and this market is growing at a rate of approximately 6 percent (4).
- Allergan's market share in the U.S. acne/psoriasis market is approximately 8 percent (4).
- An estimated 17 million Americans suffer from acne (5).
- An estimated 5.5 million Americans suffer from psoriasis (6).

(1) Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2005, in constant exchange, for the trailing 12 months, as of September 2005.

(2) Allergan market estimates.

(3) The American Society for Aesthetic Plastic Surgery (ASAPS) 2005 Cosmetic Surgery National Data Bank.

(4) Verispan (from the United States only), in U.S. dollars, for the trailing 12 months, as of September 2005.

(5) National Institute of Health, 2002.

(6) National Institute of Allergy and Infectious Diseases, 2001.

Ophthalmology

Neurosciences

Medical Aesthetics

Medical Dermatology

Gastroenterology

Urology

R&D PIPELINE: Six Pillars of Focus

OPHTHALMOLOGY Our ophthalmology pipeline includes novel treatments for retinal diseases and drugs for glaucoma and dry eye disease. Back-of-the-eye diseases such as macular edema, diabetic retinopathy and age-related macular degeneration are a major strategic focus of this business. To combat diabetic and non-diabetic macular edema, we are conducting Phase III studies to investigate POSURDEX®, a proprietary formulation of dexamethasone contained in a novel bioerodable extended release drug delivery system that can deliver medications to the back of the eye for months following a single intraocular injection. In the battle against glaucoma, we are supporting the world's largest Phase III clinical trial to investigate the potential use of a highly promising oral compound called memantine for protection against the damage caused by increased pressure on the back of the eye. If proven effective, memantine, in conjunction with current topical agents, would be the first and only oral medication that directly protects the optic nerve in the treatment of glaucoma.

NEUROSCIENCES BOTOX® holds promise for other debilitating diseases, and we are investigating a number of additional potential uses. Major Phase III clinical programs have been commenced to investigate the safety and efficacy of BOTOX® as a prophylactic therapy for patients with chronic daily headache and for those with idiopathic and neurogenic overactive bladder, and we are also investigating additional uses in post-stroke spasticity, benign prostatic hypertrophy and pain management. Our neurology pipeline is further focused on the "next generation" BOTOX® treatment with more selective action for pain management and spasticity treatment. And in late 2005, we started clinical trials investigating a unique class of alpha adrenergic agonists for neuropathic pain.

MEDICAL AESTHETICS Promising projects in the medical aesthetics R&D pipeline include Inamed's JUVÉDERM™, a next-generation hyaluronic acid which is expected to compete with the current world leader RESTYLANE® upon approval in the United States. Inamed completed its filing of a Pre-Market Approval (PMA) application for JUVÉDERM™ with the FDA in December 2005. JUVÉDERM™ is expected to receive approval in the United States in late 2006 or early 2007. In September 2005, Inamed received an approvable letter from the FDA for its filing of a PMA application for its responsive gel silicone breast implants. The same responsive gel implants, along with a new and unique BIODIMENSIONAL® Cohesive Gel Matrix implant, are under review by the FDA and Health Canada. The addition of the Allergan team, with our strong track record of R&D and bringing products to market, should strengthen the approval process as we move forward.

MEDICAL DERMATOLOGY The cornerstone of the Allergan skin care business is tazarotene, a retinoid approved for the treatment of acne and psoriasis under the brand name TAZORAC®. In addition to our approval of BOTOX® for primary axillary hyperhidrosis (severe underarm sweating), we are also conducting Phase III studies in the use of BOTOX® for the treatment of palmar hyperhidrosis (excessive sweating of hands or palms). We continue to invest in R&D aimed at building on our strong leadership position in this market.

GASTROENTEROLOGY Allergan continues to invest in new technologies and in our gastroenterology R&D pipeline. We have completed Phase I clinical trials for a new proton pump inhibitor pro-drug for the treatment of gastrointestinal disease.

UROLOGY Phase III clinical programs have been commenced to study the potential application of BOTOX® as a treatment for neurogenic overactive bladder (OAB). In addition, Allergan is conducting Phase II clinical trials for BOTOX® to treat idiopathic OAB. We are also investigating BOTOX® as a treatment for benign prostatic hypertrophy (BPH).

Allergan has a rich and promising early stage pipeline of new drugs and innovative new technologies. We are aggressively investing in our pipeline in anticipation of major product approvals in 2007 and beyond.

PRODUCT	INDICATION	R&D ALLIANCES	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REVIEW
OPHTHALMOLOGY							
Combigan™	Glaucoma (IOP)	—	•	•	•	•	• U.S.
Lumigan®/Timolol	Glaucoma (IOP)	—	•	•	•	•	• U.S./E.U.
Memantine Oral	Glaucoma	—	•	•	•	•	
Posurdex®	Retinal Vein Occlusion	—	•	•	•	•	
Posurdex®	Diabetic Macular Edema	—	•	•	•	•	
Triamcinolone	Diabetic Retinopathy	—	•	•	•	•	
Triamcinolone	Retinal Vein Occlusion	—	•	•	•	•	
Androgen Tear	Ocular Surface Disease	Schepens Eye Research Institute	•	•	•		
Sirna 027	Age-Related Macular Degeneration	Sirna Therapeutics	•	•			
Diquafosol	Dry Eye	Inspire Pharmaceuticals	•	•	•	•	• U.S.
NEUROSCIENCES							
Botox®	Migraine Headache	—	•	•	•	•	
Botox®	Spasticity Upper Limb	—	•	•	•	• U.S.	
Alpha Agonist	Neuropathic Pain	Acadia Pharmaceuticals	•	•	•		
MEDICAL AESTHETICS							
Botox®	Facial Aesthetics-Glabellar Lines	GlaxoSmithKline	•	•	•	• Japan	
Juvéderm™ — Non-animal based, cross linked hyaluronic acid-based dermal filler	Soft Tissue Augmentation — Correction of Facial Folds, Wrinkles, Lines	—	•	•	•	•	• U.S.
Silicone Breast Implant — Responsive Gel	Breast Augmentation & Reconstruction	—	•	•	•	•	• U.S.
Silicone Breast Implant — Cohesive Silicone Gel Matrix (style 410)	Breast Augmentation & Reconstruction	—	•	•	•	•	• U.S.
MEDICAL DERMATOLOGY							
Botox®	Palmar Hyperhidrosis	—	•	•	•	•	
GASTROENTEROLOGY							
Pro-Omeprazole	GERD and Erosive Esophagitis	Winston Pharmaceuticals	•	•	•		
UROLOGY							
Botox®	Overactive Bladder — Neurogenic	—	•	•	•	•	
Botox®	Overactive Bladder — Idiopathic	—	•	•	•		
Botox®	Benign Prostatic Hyperplasia	—	•	•	•		

Board of Directors

David E.I. Pyott, 52

Elected to the Board and joined Allergan, Inc. in 1998. Mr. Pyott has been Chief Executive Officer of Allergan since January 1998 and in 2001 became Chairman of the Board. Mr. Pyott also served as President of Allergan from January 1998 until February 2006. Previously, Mr. Pyott served as Head of the Nutrition Division and a member of the Executive Committee of Novartis AG. Mr. Pyott is a member of the Board of Avery Dennison Corporation, Edwards Lifesciences Corporation, Pacific Mutual Holding Company, the ultimate parent company of Pacific Life and Pacific LifeCorp, the parent stock holding company of Pacific Life. Mr. Pyott serves on the Board and the Executive Committee of the California Healthcare Institute; is a member of the Directors' Board of The Paul Merage School of Business at the University of California, Irvine (UCI), and is Chair of the Chief Executive Roundtable for UCI; and the Board of the Biotechnology Industry Organization. Mr. Pyott also serves as a member of the Board of the Pan-American Ophthalmological Foundation, the International Council of Ophthalmology Foundation, the Cosmetic Surgery Foundation, and as a member of the Advisory Board for the Foundation of the American Academy of Ophthalmology.

Herbert W. Boyer, Ph.D., 69

Vice Chairman of the Board since 2001, served as Chairman from 1998 to 2001; Board member since 1994. Dr. Boyer is a founder of Genentech, Inc. and a Director since 1976. A former Professor of Biochemistry at the University of California, San Francisco, Dr. Boyer is a recipient of the National Medal of Science from President George H. W. Bush, the National Medal of Technology, and the Albert Lasker Basic Medical Research Award. He is an elected Member of the National Academy of Sciences and a Fellow in the American Academy of Arts and Sciences. Dr. Boyer serves on the Board of the Scripps Research Institute.

Gavin S. Herbert, 73

Founder of Allergan, Inc., and Chairman Emeritus since 1996. Elected to the Board in 1950. Served as Chief Executive Officer for 30 years and as Chairman from 1977 to 1996. Mr. Herbert is Chairman and Founder of Regenesis Bioremediation Products and a Director of Research to Prevent Blindness and the Doheny Eye Institute. Mr. Herbert also serves on the boards of The Richard Nixon Library and Birthplace Foundation, the Advisory Board for the Foundation of the American Academy of Ophthalmology, and the CEO Roundtable on Cancer. Mr. Herbert is Chairman of Rogers Gardens, Vice Chairman of the Beckman Foundation, and a Life Trustee of the University of Southern California.

Handel E. Evans, 71

Elected to the Board in 1989. Mr. Evans is the former Chairman of Equity Growth Research Ltd., a company providing financial services principally to health care companies in Europe that was acquired by Libertas Capital in 2004, and is now the Senior Advisor on global health care to the Libertas Capital Group plc. Mr. Evans has more than 40 years of experience in the pharmaceutical industry and was the co-founder and former Executive Chairman of Pharmaceutical Marketing Service Inc., Source Informatics Ltd. and Walsh International Inc., companies providing marketing services to the pharmaceutical industry. Mr. Evans was also a co-founder and Senior Executive of IMS International Inc., the leading pharmaceutical information supplier. Mr. Evans is a Director of Cambridge Laboratories Ltd. and is Chairman of the British Urological Foundation Board of Trustees. Mr. Evans was previously a Director of Smithkline Beecham Plc. and IMS International Inc.

Michael R. Gallagher, 59

Elected to the Board in 1998. In 2004, Mr. Gallagher retired as Chief Executive Officer and a Director of Playtex Products, Inc. Prior to joining Playtex in 1995, Mr. Gallagher was Chief Executive Officer of North America for Reckitt & Colman PLC; President and Chief Executive Officer of Eastman Kodak's subsidiary, L&F Products; and President of the Lehn & Fink Products group of Sterling Drug. Mr. Gallagher is a member of the Board of Advisors of the Haas School of Business, University of California, Berkeley and the Board of Trustees of St. Luke's School.

Robert A. Ingram, 63

Appointed to the Board in January 2005. Since January 2003, Mr. Ingram has been Vice Chairman, Pharmaceuticals of GlaxoSmithKline plc, a corporation involved in the research, development, manufacturing and sale of pharmaceuticals. Mr. Ingram was the Chief Operating Officer and President, Pharmaceutical Operations of GlaxoSmithKline plc from January 2001 until his retirement in January 2003. Prior to that, Mr. Ingram was Chief Executive Officer of Glaxo Wellcome plc from October 1997 to December 2000; and Chairman of Glaxo Wellcome Inc., Glaxo Wellcome plc's United States subsidiary, from January 1999 to December 2000. Mr. Ingram is also Chairman of the Board of OSI Pharmaceuticals, Inc., a biotechnology company, and a director of Edwards Lifesciences Corporation, Lowe's Companies, Inc., Nortel Networks (not standing for re-election; term of directorship ends May 2, 2006), Valeant Pharmaceuticals International, and Wachovia Corporation. In addition, Mr. Ingram is Chairman of the American Cancer Society Foundation and the CEO Roundtable on Cancer.

ROW 1, FROM LEFT TO RIGHT:

David E.I. Pyott
Robert A. Ingram

ROW 2, FROM LEFT TO RIGHT:

Michael R. Gallagher
Trevor M. Jones, Ph.D.
Leonard D. Schaeffer
Louis J. Lavigne, Jr.
Stephen J. Ryan, M.D.
Gavin S. Herbert
Handel E. Evans
Herbert W. Boyer, Ph.D.
Russell T. Ray

Trevor M. Jones, Ph.D., 63

Joined the Board in July 2004. From 1994 to 2004, Prof. Jones was the Director General of the Association of the British Pharmaceutical Industry. From 1987 to 1994, Prof. Jones was a main Board Director at Wellcome plc. Prof. Jones received his Bachelor of pharmacy degree and Ph.D. from the University of London and is currently Vice Chairman of Council at King's College, London. Prof. Jones has also gained an honorary doctorate from the University of Athens as well as honorary doctorates in science from the Universities of Strathclyde, Nottingham, Bath and Bradford in the United Kingdom. Furthermore, Prof. Jones was recognized in the Queen's Honors List and holds the title of a Commander of the British Empire. Prof. Jones is also a fellow of the Royal Society of Chemistry, a fellow of The Royal Pharmaceutical Society, and an honorary fellow of the Royal College of Physicians and of its Faculty of Pharmaceutical Medicine and an honorary fellow of the British Pharmacological Society. Prof. Jones is Chairman of the Board of ReNeuron Group plc and of B.A.C. BV and a board member of Merlin Biosciences' Funds I and II and NextPharma Technologies Holdings Ltd. Prof. Jones is also a founder and board member of the Geneva-based public-private partnership, Medicines for Malaria Venture and the UK Stem Cell Foundation.

Louis J. Lavigne, Jr., 57

Appointed to the Board in July 2005. Mr. Lavigne has served as a management consultant in the areas of corporate finance, accounting and strategy since 2005. Mr. Lavigne was Executive Vice President and Chief Financial Officer of Genentech, Inc. from March 1997 through his retirement in March 2005, leading the company through significant growth while also overseeing the corporate relations and information technology groups. Mr. Lavigne joined Genentech in July 1982, was named controller in 1983, and, in that position, built Genentech's operating financial functions. In 1986, Mr. Lavigne was promoted to Vice President and assumed the position of Chief Financial Officer in September of 1988. Mr. Lavigne was named Senior Vice President in 1994 and was promoted to Executive Vice President in 1997. Prior to joining Genentech, Mr. Lavigne held various financial management positions with Pennwalt Corporation, a pharmaceutical and chemical company. Mr. Lavigne also serves on the Boards of Arena Pharmaceuticals, Inc., BMC Software, Inc., Equinix, Inc., Kyphon Inc. and LifeMasters Supported SelfCare, Inc.

Russell T. Ray, 58

Elected to the Board in 2003. Managing Partner of HLM Venture Partners, a private equity firm that provides venture capital to health care information technology, health care services and medical technology companies. Prior to joining HLM Venture Partners in 2003, Mr. Ray was founder, Managing Director and President of Chesapeake Strategic Advisors from April 2002 to August 2003 and was the Global Co-Head of the Credit Suisse First Boston Health Care Investment Group, where he focused on providing strategic and financial advice to life sciences, health care services and medical device companies from 1999 to March 2002. Prior to joining Credit Suisse First Boston, Mr. Ray spent 12 years at Deutsche Bank and its predecessor entities BT Alex, Brown and Alex, Brown & Sons, Inc. as Global Head of Health Care Investment Banking. Mr. Ray is a Director of Pondaray Enterprises, Inc. and a Trustee of The Friends School of Baltimore.

Stephen J. Ryan, M.D., 65

Joined the Board in 2002. Dr. Ryan is the President of the Doheny Eye Institute and the Grace and Emery Beardsley Professor of Ophthalmology at the Keck School of Medicine of the University of Southern California. Dr. Ryan was the Dean of the Keck School of Medicine and Senior Vice President for Medical Care of the University of Southern California from 1991 through June 2004. Dr. Ryan is a member of the Institute of Medicine of the National Academy of Sciences. He is a member and past President of numerous ophthalmological organizations such as the Association of University Professors of Ophthalmology and the Macula Society. Dr. Ryan is the founding President of the Alliance for Eye and Vision Research.

Leonard D. Schaeffer, 60

Elected to the Board in 1993. From November 2004 to November 2005, Mr. Schaeffer served as Chairman of the Board of WellPoint, Inc., an insurance organization created by the combination of WellPoint Health Networks, Inc. and Anthem, Inc., which owns Blue Cross of California, Blue Cross and Blue Shield of Georgia, Blue Cross and Blue Shield of Missouri, Blue Cross and Blue Shield of Wisconsin, Anthem Life Insurance Company, Health Link and Unicare. From 1992 until 2004, Mr. Schaeffer served as Chairman of the Board and Chief Executive Officer of WellPoint Health Networks, Inc. Mr. Schaeffer was the Administrator of the U.S. Health Care Financing Administration from 1978 to 1980. Mr. Schaeffer is a member of the Board of Amgen, Inc., the Chairman of the Board of the National Institute for Health Care Management, and a member of the Institute of Medicine.

FROM LEFT TO RIGHT:

Jeffrey L. Edwards
Douglas S. Ingram, J.D.
David E.I. Pyott
F. Michael Ball
Scott M. Whitcup, M.D.
Roy J. Wilson
Raymond H. Diradoorian

Executive Committee

David E.I. Pyott, 52

Chairman of the Board and Chief Executive Officer. Mr. Pyott also served as President from January 1998 until February 2006. Mr. Pyott joined Allergan in January 1998. Previously, he was Head of the Nutrition Division and a member of the Executive Committee of Novartis AG from 1995 through 1997. Mr. Pyott has more than 21 years of international experience in nutrition and health care and has worked in Austria, Germany, the Netherlands, Spain, Switzerland, Malaysia and Singapore. Mr. Pyott holds a diploma in German and European Law from the Europa Institute at the University of Amsterdam, a Master of Arts degree from the University of Edinburgh, and a Master of Business Administration degree from the London Business School.

F. Michael Ball, 50

President since February 2006. Mr. Ball joined Allergan in 1995, and served as Executive Vice President and President, Pharmaceuticals since October 2003. Born in Canada, Mr. Ball was educated in the United Kingdom and United States before receiving his Bachelor of Science and Master of Business Administration degrees from Queen's University in Canada. He is the former President of Syntex Inc. Canada and Senior Vice President of Syntex Laboratories USA, where he served on Syntex Corporation's Management Committee. Mr. Ball has more than 21 years of international health care experience in the marketing and sales of pharmaceutical products.

Raymond H. Diradoorian, 48

Executive Vice President, Global Technical Operations since February 2006. From April 2005 to February 2006, Mr. Diradoorian served as Senior Vice President, Global Technical Operations. Since February 2001, Mr. Diradoorian served as Vice President, Global Engineering and Technology. Mr. Diradoorian joined Allergan in July 1981. Prior to joining Allergan, Mr. Diradoorian held positions at American Hospital Supply and with the Los Angeles Dodgers baseball team. Mr. Diradoorian received a Bachelor of Science degree in Biological Sciences from the University of California, Irvine and a Master of Science degree in Technology Management from Pepperdine University.

Jeffrey L. Edwards, 45

Executive Vice President, Finance and Business Development, Chief Financial Officer. Mr. Edwards joined Allergan in 1993. Since March 2003, Mr. Edwards served as Corporate Vice President, Corporate Development and previously served as Senior Vice President, Treasury, Tax and Investor Relations. Prior to joining Allergan, Mr. Edwards was with Banque Paribas and Security Pacific National Bank, where he held various senior-level positions in the credit and business development functions. Mr. Edwards completed the Advanced Management Program at the Harvard Business School and received a Bachelor of Arts degree in Sociology from Muhlenberg College.

Douglas S. Ingram, J.D., 43

Executive Vice President, General Counsel and Secretary, and Chief Ethics Officer. Mr. Ingram joined Allergan from Gibson, Dunn & Crutcher in 1996. Mr. Ingram has more than 17 years of experience in the management of domestic and international legal affairs. Mr. Ingram manages Allergan's Global Legal Affairs, Regulatory Affairs, Compliance and Internal Audit, Corporate Communications and Global Trade Compliance organizations. Mr. Ingram is the Secretary to Allergan's Board of Directors. Mr. Ingram received his Juris Doctorate from the University of Arizona in 1988, graduating *summa cum laude* and Order of the Coif.

Scott M. Whitcup, M.D., 46

Executive Vice President, Research and Development. Dr. Whitcup joined Allergan in 2000. Prior to joining Allergan, Dr. Whitcup served as the Clinical Director of the National Eye Institute at the National Institutes of Health. As a Clinical Director, Dr. Whitcup's leadership was vital in building the clinical research program and developing new therapies for ophthalmic diseases. Dr. Whitcup graduated from Cornell University and Cornell University Medical College. He completed residency training in internal medicine at the University of California, Los Angeles and in ophthalmology at Harvard University, as well as fellowship training in immunology at the National Institutes of Health. Dr. Whitcup is a faculty member at the Jules Stein Eye Institute/David Geffen School of Medicine at the University of California, Los Angeles.

Roy J. Wilson, 50

Executive Vice President, Human Resources and Information Technology. Mr. Wilson joined Allergan in April 2004 as Executive Vice President, Human Resources. Prior to joining Allergan, Mr. Wilson held positions with Texas Instruments, Schlumberger Ltd., and Pearle Vision, where he served as the Senior Vice President and Chief Administrative Officer, and Compaq Computer, where he served as Vice President of Human Resources. Mr. Wilson also served as the Senior Vice President of Human Resources and Administration at BMC Software. From 2001 to 2004, Mr. Wilson successfully managed a human capital consulting firm centered on executive compensation and organization effectiveness. Mr. Wilson holds a Bachelor of Science degree from Syracuse University.

OTHER EXECUTIVE OFFICER

James F. Barlow (not pictured)

Senior Vice President, Corporate Controller (Principal Accounting Officer)

Corporate Overview and Stockholders' Information

CORPORATE HEADQUARTERS

Allergan, Inc.
2525 Dupont Drive
P.O. Box 19534
Irvine, CA 92623-9534
(714) 246-4500
E-mail: corpinfo@allergan.com
Internet: www.allergan.com

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT, DUPLICATE MAILINGS

Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854
(800) 468-9716
Hearing Impaired # TDD: (651) 450-4144
Internet: www.wellsfargo.com/shareownerservices

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Allergan, Inc. will be held at The Irvine Marriott Hotel, 18000 Von Karman Avenue, Irvine, CA 92612, on May 2, 2006, at 10:00 a.m. Pacific Standard Time.

FORM 10-K

A copy of Allergan, Inc.'s Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, is available through our Web site at www.allergan.com or without charge by contacting:

INVESTOR RELATIONS

James M. Hindman
Allergan, Inc.
P.O. Box 19534
Irvine, CA 92623-9534
Phone: (714) 246-4636 Fax: (714) 246-4800
E-mail: corpinfo@allergan.com

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The plan allows Allergan stockholders to reinvest their dividends or invest cash in Allergan stock without brokerage commissions or service charges. If you are interested in joining the plan or would like more information, you may request a prospectus from:

Wells Fargo Shareowner Services
Dividend Reinvestment Plan/Allergan, Inc.
P.O. Box 64856
St. Paul, MN 55164-0856

MARKET PRICES OF COMMON STOCK AND DIVIDENDS

The following table shows the quarterly price range of the common stock and the cash dividends declared per share during the period listed.

	2005			2004		
Calendar Quarter	High	Low	Div	High	Low	Div
First	$ 81.16	$69.60	$.10	$90.21	$75.65	$.09
Second	86.29	69.01	.10	92.61	83.13	.09
Third	95.43	83.36	.10	90.36	69.05	.09
Fourth	110.50	85.90	.10	82.10	66.78	.09

Allergan common stock is listed on the New York Stock Exchange and is traded under the symbol "AGN." In newspapers, stock information is frequently listed as "Alergn." The approximate number of stockholders of record was 5,900 as of February 8, 2006.

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2525 DUPONT DRIVE | P.O. BOX 19534 | IRVINE, CA 92623-9534 | (714) 246.4500 | WWW.ALLERGAN.COM

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