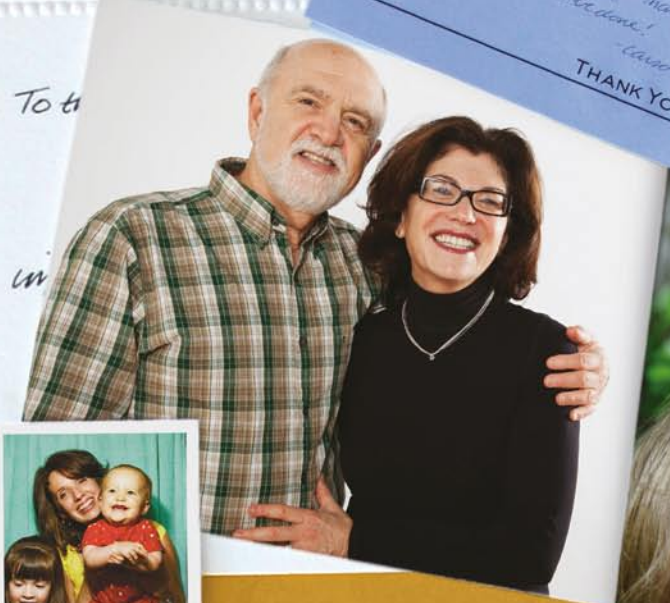
ALLERGAN

Our pursuit. Life's potential.®



TOP OF MIND

ANNUAL REPORT 2009

IN ALL THAT WE DO, THERE'S A PATIENT WHO IS ALWAYS TOP OF MIND.

This has been a year of change for both the world of health care and the pharmaceutical industry. Our business landscape is evolving along with major shifts in the regulatory environment, political climate and global economy. At Allergan, we are responding with agility and seeking sustained growth thanks to a business model that is at once both diversified to meet today's challenges and deeply specialized. But most of all, we are strengthened by the unwavering focus we have maintained for almost 60 years — doing what is best for the patients who depend on our products. It's a focus shared by every employee across our organization and it inspires us to think harder and reach further in all that we do.

Amidst today's changes we are advancing our commitment to patients in ways both large and small. In Research and Development (R&D) we are challenging ourselves to discover and realize a strong pipeline of truly novel products and treatments that will make a meaningful difference in people's lives. In quality assurance we are always looking for better ways to produce our products and maintain the highest safety standards that physicians and patients can trust.

In medical affairs we strive to provide physicians with access to the latest scientific information so they can make the most informed treatment decisions for their patients. In sales and marketing we are concentrating our efforts on raising awareness and educating physicians and patients about specific disease states and available treatment options. And in investor relations, we are building continued value for our stockholders through a diversified, global business strategy, a specialized approach and a focus on growth.

While we take pride in our ability to demonstrate leadership in the face of change, real gratification results from the opportunity to bring patients the best of medicine. This is not an easy task, often bringing failure as well as success. But it continues to drive us in what we do and why we do it, for people who could be our loved ones, friends or neighbors. This is why we push ourselves harder and reach further in finding solutions that don't exist today. It is a significant responsibility, a very personal one for all of us, but one we carry with great ownership and pride — and always with the patient top of mind.

"OUR WORLD REVOLVES AROUND doing what is best for PATIENTS."

Sue-Jean Lin

Senior Vice President and Global Chief Information Officer/U.S.

Married and mother of two

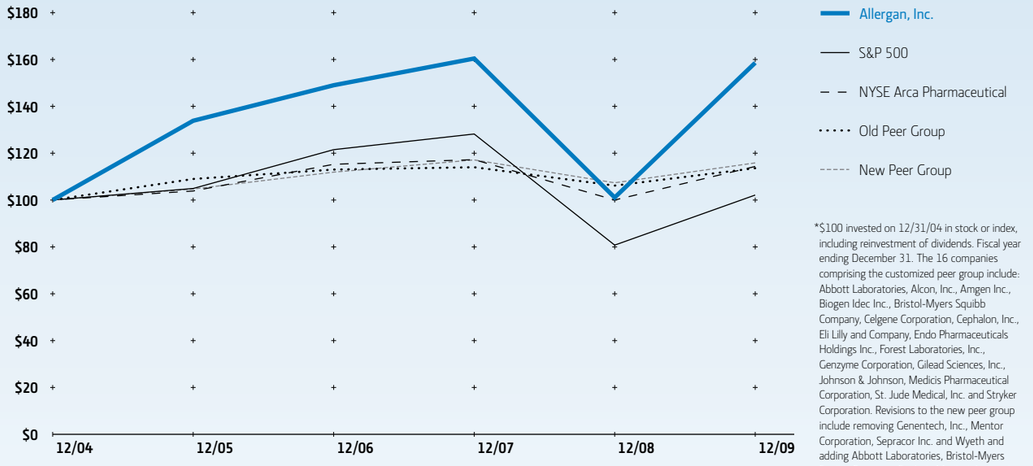
FINANCIAL SUMMARY

In millions, except per share data	2009	Year Ended December 31, 2008	2007	2006	2005
STATEMENT OF OPERATIONS HIGHLIGHTS					
(As reported under U.S. GAAP)					
Product net sales	**$4,447.6**	$4,339.7	$3,879.0	$3,010.1	$2,319.2
Total revenues	**4,503.6**	4,403.4	3,938.9	3,063.3	2,342.6
Research and development	**706.0**	797.9	718.1	1,055.5	388.3
Earnings (loss) from continuing operations	**623.8**	564.7	487.0	(127.0)	406.8
Loss from discontinued operations	**—**	—	(1.7)	—	—
Net earnings (loss) attributable to noncontrolling interest	**2.5**	1.6	0.5	0.4	2.9
Net earnings (loss) attributable to Allergan, Inc.	**$ 621.3**	$ 563.1	$ 484.8	$ (127.4)	$ 403.9
Net basic earnings (loss) per share attributable to Allergan, Inc. stockholders	**$ 2.05**	$ 1.85	$ 1.59	$ (0.43)	$ 1.54
Net diluted earnings (loss) per share attributable to Allergan, Inc. stockholders	**2.03**	1.84	1.57	(0.43)	1.51
Dividends per share	**0.20**	0.20	0.20	0.20	0.20
ADJUSTED AMOUNTS [a]					
Adjusted net earnings attributable to Allergan, Inc.	**$ 849.8**	$ 786.5	$ 672.9	$ 547.2	$ 453.3
Adjusted net basic earnings per share attributable to Allergan, Inc. stockholders	**$ 2.80**	$ 2.59	$ 2.21	$ 1.86	$ 1.73
Adjusted net diluted earnings per share attributable to Allergan, Inc. stockholders	**2.78**	2.57	2.18	1.83	1.69
NET SALES BY PRODUCT LINE					
Specialty Pharmaceuticals:					
Eye Care Pharmaceuticals	**$2,100.6**	$2,009.1	$1,776.5	$1,530.6	$1,321.7
BOTOX®/Neuromodulator	**1,309.6**	1,310.9	1,211.8	982.2	830.9
Skin Care	**208.0**	113.7	110.7	125.7	120.2
Urologics	**65.6**	68.6	6.0	—	—
Subtotal pharmaceuticals	**3,683.8**	3,502.3	3,105.0	2,638.5	2,272.8
Other (primarily contract sales)	**—**	—	—	—	46.4
Total specialty pharmaceuticals	**3,683.8**	3,502.3	3,105.0	2,638.5	2,319.2
Medical Devices:					
Breast Aesthetics	**287.5**	310.0	298.4	177.2	—
Obesity Intervention	**258.2**	296.0	270.1	142.3	—
Facial Aesthetics	**218.1**	231.4	202.8	52.1	—
Core medical devices	**763.8**	837.4	771.3	371.6	—
Other	**—**	—	2.7	—	—
Total medical devices	**763.8**	837.4	774.0	371.6	—
Total product net sales	**$4,447.6**	$4,339.7	$3,879.0	$3,010.1	$2,319.2
PRODUCT SOLD BY LOCATION					
Domestic	**65.4%**	64.6%	65.7%	67.4%	67.5%
International	**34.6%**	35.4%	34.3%	32.6%	32.5%

The information for 2008 and 2007 in this Annual Report has been retrospectively adjusted to reflect the impact of the adoption in the first quarter of 2009 of updates to Financial Accounting Standards Board guidance related to the accounting for convertible debt instruments that may be settled fully or partially in cash upon conversion. The information for 2006 and 2005 was not retrospectively adjusted.

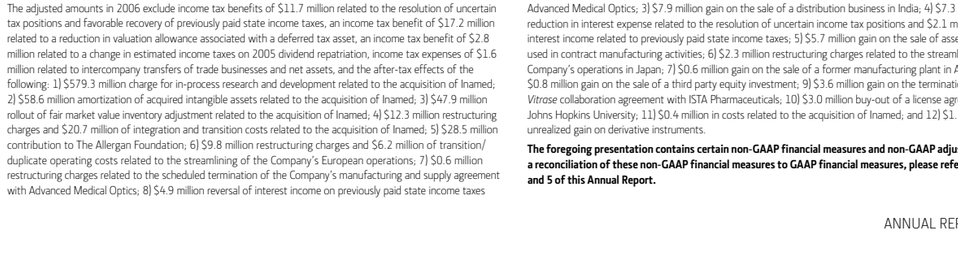
(a) The adjusted amounts in 2009 exclude a net expense of $4.1 million for a change in estimated income taxes related to pre-acquisition periods associated with business combinations and uncertain tax positions included in prior year income tax filings and an income tax benefit of $6.7 million related to foreign research and development tax credits received for tax years prior to 2008, and the after-tax effects of the following: 1) $124.4 million amortization of acquired intangible assets related to business combinations and asset acquisitions; 2) $78.6 million compensation expense from stock option modifications, $42.2 million restructuring charges and $2.3 million asset impairments and accelerated depreciation costs related to the restructuring plan announced in February 2009; 3) $24.5 million non-cash interest expense associated with amortization of convertible debt discount; 4) $24.6 million net gain on the sale of investments; 5) $10.0 million for an upfront payment for the in-licensing of technology that has not achieved regulatory approval; 6) $8.4 million restructuring charges and $14.5 million for the rollout of capitalized employee retention termination benefits and accelerated depreciation costs and one-time termination benefits related to the phased closure of the Arklow, Ireland, breast implant manufacturing plant; 7) $32.2 million of external costs associated with responding to the U.S. Department of Justice (DOJ) subpoena; 8) $14.0 million gain on settlement of a manufacturing and distribution agreement related to an eye care pharmaceuticals product; 9) $18.0 million contribution to The Allergan Foundation; 10) $5.3 million of loss on the extinguishment of convertible debt; 11) a $0.3 million restructuring charge reversal related to the phased closure of the Fremont, California, collagen manufacturing plant and $0.6 million of restructuring charges related to the streamlining of the Company's European operations; 12) $0.4 million of integration and transition costs related to the acquisition of Groupe Cornéal Laboratoires (Cornéal); 13) $0.8 million for the fair market value inventory adjustment rollout and $0.4 million of transaction related costs associated with the acquisition of Samil Allergan Ophthalmic Joint Venture Company; and 14) $13.6 million unrealized loss on derivative instruments.

The adjusted amounts in 2008 exclude a $2.4 million U.S. state and federal deferred tax benefit related to the legal entity integration of the acquisitions of Esprit Pharma Holding Company, Inc. (Esprit) and Inamed Corporation (Inamed), a $3.8 million negative tax impact from non-deductible losses associated with the liquidation of corporate-owned life insurance contracts, and the after-tax effects of the following: 1) $129.6 million amortization of acquired intangible assets related to business combinations and asset acquisitions; 2) $68.7 million for upfront payments for technologies that have not achieved regulatory approval; 3) $27.2 million restructuring charges and $10.0 million of termination benefits, asset impairments and accelerated depreciation costs related to the phased closure of the Arklow, Ireland breast implant manufacturing plant; 4) $3.4 million restructuring charges and $0.9 million gain on sale of technology and fixed assets related to the phased closure of the Fremont, California, collagen manufacturing plant; 5) $6.6 million of restructuring charges and $1.5 million of integration and transition costs related to the acquisition of Cornéal; 6) $4.1 million of restructuring charges related to the streamlining of the Company's European operations and the acquisition of EndoArt SA (EndoArt); 7) $11.7 million rollout of fair market value inventory adjustment and $0.7 million of integration and transition costs related to the acquisition of Esprit; 8) $25.7 million of external costs associated with responding to the DOJ subpoena; 9) $13.2 million settlement related to the termination of a distribution agreement in Korea; 10) $5.6 million impairment of intangible asset related to the phase-out of a collagen product; 11) $0.6 million of transaction costs related to ACZONE®; 12) $24.9 million non-cash interest expense associated with amortization of convertible debt discount and related non-cash selling, general and administrative expenses of $0.1 million; and 13) $14.8 million unrealized gain on derivative instruments.



COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN*

*$100 invested on 12/31/04 in stock or index, including reinvestment of dividends. Fiscal year ending December 31. The 16 companies comprising the customized peer group include: Abbott Laboratories, Alcon, Inc., Amgen Inc., Biogen Idec Inc., Bristol-Myers Squibb Company, Celgene Corporation, Cephalon, Inc., Eli Lilly and Company, Endo Pharmaceuticals Holdings Inc., Forest Laboratories, Inc., Genzyme Corporation, Gilead Sciences, Inc., Johnson & Johnson, Medicis Pharmaceutical Corporation, St. Jude Medical, Inc. and Stryker Corporation. Revisions to the new peer group include removing Genentech, Inc., Mentor Corporation, Sepracor Inc. and Wyeth and adding Abbott Laboratories, Bristol-Myers Squibb Company, St. Jude Medical, Inc. and Stryker Corporation.



CASH FLOW FROM OPERATIONS
(in millions of dollars)

PHARMACEUTICAL SALES GROWTH
(in millions of dollars)

MEDICAL DEVICE SALES GROWTH
(in millions of dollars)

The adjusted amounts in 2007 exclude loss from discontinued operations of $1.7 million, the favorable recovery of $1.6 million in previously paid state income taxes, and the after-tax effects of the following: 1) $72.0 million charge for in-process research and development related to the acquisition of EndoArt; 2) $99.9 million amortization of acquired intangible assets related to business combinations and asset acquisitions; 3) $25.9 million of restructuring charges and $14.7 million of integration and transition costs related to the acquisitions of Inamed, Cornéal, EndoArt and Esprit; 4) $3.3 million rollout of fair market value inventory adjustments related to the acquisitions of Esprit and Cornéal; 5) $2.3 million settlement of an unfavorable Cornéal distribution contract; 6) $6.4 million settlement of a patent dispute; 7) $0.9 million restructuring charges related to the streamlining of the Company's European operations; 8) $0.4 million of interest income related to income tax settlements; 9) $23.2 million non-cash interest expense associated with amortization of convertible debt discount and related non-cash selling, general and administrative expenses of $0.1 million; and 10) $0.4 million unrealized loss on derivative instruments.

The adjusted amounts in 2006 exclude income tax benefits of $11.7 million related to the resolution of uncertain tax positions and favorable recovery of previously paid state income taxes, an income tax benefit of $17.2 million related to a reduction in valuation allowance associated with a deferred tax asset, an income tax benefit of $2.8 million related to a change in estimated income taxes on 2005 dividend repatriation, income tax expenses of $1.6 million related to intercompany transfers of trade businesses and net assets, and the after-tax effects of the following: 1) $579.3 million charge for in-process research and development related to the acquisition of Inamed; 2) $58.6 million amortization of acquired intangible assets related to the acquisition of Inamed; 3) $47.9 million rollout of fair market value inventory adjustment related to the acquisition of Inamed; 4) $12.3 million restructuring charges and $20.7 million of integration and transition costs related to the acquisition of Inamed; 5) $28.5 million contribution to The Allergan Foundation; 6) $9.8 million restructuring charges and $6.2 million of transition/duplicate operating costs related to the streamlining of the Company's European operations; 7) $0.6 million restructuring charges related to the scheduled termination of the Company's manufacturing and supply agreement with Advanced Medical Optics; 8) $4.9 million reversal of interest income on previously paid state income taxes and $4.9 million reversal of interest expense related to the resolution of uncertain tax positions; 9) $2.7 million of costs to settle a contingency involving non-income taxes in Brazil; 10) $0.4 million reversal of restructuring charges related to the streamlining of the Company's operations in Japan; 11) $0.1 million of costs related to the acquisition of Cornéal; and 12) $0.3 million unrealized loss on derivative instruments.

The adjusted amounts in 2005 exclude noncontrolling interest related to gain on sale of distribution business in India of $3.1 million, income taxes of $49.6 million related to the repatriation of foreign earnings that had been previously permanently reinvested outside the United States, 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 charges and $5.6 million of transition/duplicate operating costs related to the streamlining of the Company's European operations; 2) $12.9 million restructuring charges 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 charges 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 *Vitrose* 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; and 12) $1.1 million unrealized gain on derivative instruments.

The foregoing presentation contains certain non-GAAP financial measures and non-GAAP adjustments. For a reconciliation of these non-GAAP financial measures to GAAP financial measures, please refer to pages 4 and 5 of this Annual Report.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RECONCILIATION OF NON-GAAP ADJUSTMENTS

In millions, except per share data	Year Ended December 31, 2009			Year Ended December 31, 2008			Year Ended December 31, 2007			Year Ended December 31, 2006			Year Ended December 31, 2005		
	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted
REVENUES															
Specialty pharmaceuticals product net sales	**$3,683.8**	**$ —**	**$3,683.8**	$3,502.3	$ —	$3,502.3	$3,105.0	$ —	$3,105.0	$2,638.5	$ —	$2,638.5	$2,319.2	$ —	$2,319.2
Medical devices product net sales	**763.8**	**—**	**763.8**	837.4	—	837.4	774.0	—	774.0	371.6	—	371.6	—	—	—
Product net sales	**4,447.6**	**—**	**4,447.6**	4,339.7	—	4,339.7	3,879.0	—	3,879.0	3,010.1	—	3,010.1	2,319.2	—	2,319.2
Other revenues	**56.0**	**—**	**56.0**	63.7	—	63.7	59.9	—	59.9	53.2	—	53.2	23.4	—	23.4
Total	**4,503.6**	**—**	**4,503.6**	4,403.4	—	4,403.4	3,938.9	—	3,938.9	3,063.3	—	3,063.3	2,342.6	—	2,342.6
OPERATING COSTS AND EXPENSES															
Cost of sales (excludes amortization of acquired intangible assets)	**750.9**	**(20.2)** [a][b][c]	**730.7**	761.2	(20.6) [q][r][s]	740.6	673.2	(3.5) [ad][ae]	669.7	575.7	(48.8) [al][am]	526.9	385.3	(0.5) [av][aw]	384.8
Selling, general and administrative	**1,921.5**	**(91.9)** [a][c][d][e][f][g][h]	**1,829.6**	1,856.1	(47.3) [r][s][t][u][v][w][x]	1,808.8	1,680.2	(23.3) [ae][af][ai]	1,656.9	1,333.4	(53.9) [al][an][ao][ap]	1,279.5	936.8	10.0 [av][ax][ay]	946.8
Research and development	**706.0**	**(31.1)** [a][b][i]	**674.9**	797.9	(69.0) [r][y][z][aa][ab]	728.9	718.1	(72.0) [ag]	646.1	1,055.5	(580.0) [al][ao][aq]	475.5	388.3	(4.5) [av][az]	383.8
Amortization of acquired intangible assets	**146.3**	**(124.4)** [j]	**21.9**	150.9	(129.6) [j]	21.3	121.3	(99.9) [j]	21.4	79.6	(58.6) [ar]	21.0	17.5	—	17.5
Restructuring charges and asset write-offs, net	**50.9**	**(50.9)** [k]	**—**	41.3	(41.3) [k]	—	26.8	(26.8) [k]	—	22.3	(22.3) [k]	—	43.8	(43.8) [aw]	—
Operating income (loss)	**928.0**	**318.5**	**1,246.5**	796.0	307.8	1,103.8	719.3	225.5	944.8	(3.2)	763.6	760.4	570.9	38.8	609.7
Interest income	**7.0**	**—**	**7.0**	33.5	—	33.5	65.3	(0.4) [ah]	64.9	48.9	4.9 [as]	53.8	35.4	(2.2) [ba][bb]	33.2
Interest expense	**(76.9)**	**24.5** [l]	**(52.4)**	(85.5)	24.9 [x]	(60.6)	(94.6)	23.2 [ai]	(71.4)	(60.2)	(4.9) [as]	(65.1)	(12.4)	(7.3) [ba]	(19.7)
Unrealized (loss) gain on derivative instruments, net	**(13.6)**	**13.6** [m]	**—**	14.8	(14.8) [m]	—	(0.4)	0.4 [m]	—	(0.3)	0.3 [m]	—	1.1	(1.1) [m]	—
Gain on investments, net	**24.6**	**(24.6)** [n]	**—**	—	—	—	—	—	—	0.3	—	0.3	0.8	(0.8) [bc]	—
Other, net	**(20.6)**	**5.3** [o]	**(15.3)**	3.4	—	3.4	(25.2)	—	(25.2)	(5.0)	2.7 [at]	(2.3)	3.4	(3.5) [bb]	(0.1)
	(79.5)	**18.8**	**(60.7)**	(33.8)	10.1	(23.7)	(54.9)	23.2	(31.7)	(16.3)	3.0	(13.3)	28.3	(14.9)	13.4
Earnings (loss) from continuing operations before income taxes	**848.5**	**337.3**	**1,185.8**	762.2	317.9	1,080.1	664.4	248.7	913.1	(19.5)	766.6	747.1	599.2	23.9	623.1
Provision for income taxes	**224.7**	**108.8** [p]	**333.5**	197.5	94.5 [ac]	292.0	177.4	62.3 [aj]	239.7	107.5	92.0 [au]	199.5	192.4	(22.4) [bd]	170.0
Earnings (loss) from continuing operations	**623.8**	**228.5**	**852.3**	564.7	223.4	788.1	487.0	186.4	673.4	(127.0)	674.6	547.6	406.8	46.3	453.1
Loss from discontinued operations	**—**	**—**	**—**	—	—	—	(1.7)	1.7 [ak]	—	—	—	—	—	—	—
Net earnings (loss) attributable to noncontrolling interest	**2.5**	**—**	**2.5**	1.6	—	1.6	0.5	—	0.5	0.4	—	0.4	2.9	(3.1) [be]	(0.2)
Net earnings (loss) attributable to Allergan, Inc.	**$ 621.3**	**$ 228.5**	**$ 849.8**	$ 563.1	$ 223.4	$ 786.5	$ 484.8	$188.1	$ 672.9	$ (127.4)	$ 674.6	$ 547.2	$ 403.9	$ 49.4	$ 453.3
Net earnings (loss) per share attributable to Allergan, Inc. stockholders															
Basic	**$ 2.05**	**$ 0.75**	**$ 2.80**	$ 1.85	$ 0.74	$ 2.59	$ 1.59	$ 0.62	$ 2.21	$ (0.43)	$ 2.29	$ 1.86	$ 1.54	$ 0.19	$ 1.73
Diluted	**$ 2.03**	**$ 0.75**	**$ 2.78**	$ 1.84	$ 0.73	$ 2.57	$ 1.57	$ 0.61	$ 2.18	$ (0.43)	$ 2.26	$ 1.83	$ 1.51	$ 0.18	$ 1.69
Total product net sales	**$4,447.6**	**$ 106.4** [bf]	**$4,554.0**	$4,339.7	$ (49.5) [bf]	$4,290.2	$3,879.0	$ (87.4) [bf]	$3,791.6	$3,010.1	$ (15.2) [bf]	$2,994.9	$2,319.2	$(22.3) [bf]	$2,296.9

The information for 2008 and 2007 in this Annual Report has been retrospectively adjusted to reflect the impact of the adoption in the first quarter of 2009 of updates to Financial Accounting Standards Board guidance related to the accounting for convertible debt instruments that may be settled fully or partially in cash upon conversion. The information for 2006 and 2005 was not retrospectively adjusted.

"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, 2009, as well as the corresponding periods for 2008 through 2005. Allergan believes that its presentation of historical non-GAAP financial measures provides useful supplementary information to investors regarding its operational performance because it enhances an investor's overall understanding of the financial performance and prospects for the future of Allergan's core business activities by providing a basis for the comparison of results of core business operations between current, past and future periods. The presentation of historical non-GAAP financial measures is not meant to be considered in isolation from or as a substitute for results as reported under GAAP.

In this Annual Report, Allergan reported the non-GAAP financial measures "non-GAAP earnings attributable to Allergan, Inc." and all of its subcomponents and related "non-GAAP basic and diluted earnings per share attributable to Allergan, Inc. stockholders." Allergan uses non-GAAP earnings to enhance the investor's overall understanding of the financial performance and prospects for the future of Allergan's core business activities. Non-GAAP earnings is one of the primary indicators management uses for planning and forecasting in future periods, including trending and analyzing the core operating performance of Allergan's business from period to period without the effect of the non-core business items indicated. Management uses non-GAAP earnings to prepare operating budgets and forecasts and to measure Allergan's performance against those budgets and forecasts on a corporate and segment level. Allergan also uses non-GAAP earnings for evaluating management performance for compensation purposes.

Despite the importance of non-GAAP earnings in analyzing Allergan's underlying business, the budgeting and forecasting process and designing incentive compensation, non-GAAP earnings has no standardized meaning defined by GAAP. Therefore, non-GAAP earnings has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of Allergan's results as reported under GAAP. Some of these limitations are:

- it does not reflect cash expenditures, or future requirements, for expenditures relating to restructurings, and certain acquisitions, including severance and facility transition costs associated with acquisitions;
- it does not reflect gains or losses on the disposition of assets associated with restructuring and business exit activities;
- it does not reflect the tax benefit or tax expense associated with the items indicated;
- it does not reflect the impact on earnings of charges or income resulting from certain matters Allergan considers not to be indicative of its on-going operations; and
- other companies in Allergan's industry may calculate non-GAAP earnings differently than it does, which may limit its usefulness as a comparative measure.

Allergan compensates for these limitations by using non-GAAP earnings only to supplement net earnings (loss) on a basis prepared in conformance with GAAP in order to provide a more complete understanding of the factors and trends affecting its business. Allergan strongly encourages investors to consider both net earnings (loss) and cash flows determined under GAAP as compared to non-GAAP earnings, and to perform their own analysis, as appropriate.

In this Annual Report, Allergan also reported sales performance using the non-GAAP financial measure of constant currency sales. Constant currency sales represent current year reported sales adjusted for the translation effect of changes in average foreign currency exchange rates between the current year and the corresponding prior year. Allergan calculates the currency effect by comparing adjusted current year reported amounts, calculated using the monthly average foreign exchange rates for the corresponding prior year, to the actual current year 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.

Reporting sales performance using constant currency sales has the limitation of excluding currency effects from the comparison of sales results over various periods, even though the effect of changing foreign currency exchange rates has an actual effect on Allergan's operating results. Investors should consider these effects in their overall analysis of Allergan's operating results.

(a) Compensation expense from stock option modifications related to the restructuring plan announced in February 2009 of $78.6 million, consisting of cost of sales of $5.0 million, selling, general and administrative expenses of $52.6 million and research and development expenses of $21.0 million.

(b) Rollout of retention termination benefits and accelerated depreciation costs capitalized in inventory of $14.4 million included in cost of sales and one-time termination benefits of $0.1 million included in research and development expenses related to the phased closure of the Arklow, Ireland, breast implant manufacturing facility.

(c) Fair market value inventory adjustment rollout of $0.8 million included in cost of sales and transaction related costs of $0.4 million included in selling, general and administrative expenses related to the acquisition of Samil Allergan Ophthalmic Joint Venture Company.

(d) External costs of approximately $32.2 million associated with responding to the U.S. Department of Justice (DOJ) subpoena announced in a company press release on March 3, 2008.

(e) Asset impairments and accelerated depreciation costs related to the 2009 restructuring plan of $2.3 million.

(f) Integration and transition costs related to the acquisition of Groupe Cornéal Laboratoires (Cornéal) of $0.4 million.

(g) Contribution to The Allergan Foundation of $18.0 million.

(h) Gain on settlement of a manufacturing and distribution agreement of $14.0 million related to an eye care pharmaceuticals product.

(i) Upfront payment of $10.0 million for a license and development agreement with Pieris AG for technology that has not achieved regulatory approval.

(j) Amortization of acquired intangible assets related to business combinations and asset acquisitions.

(k) Net restructuring charges.

(l) Non-cash interest expense associated with amortization of convertible debt discount.

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

(n) Net gain on sale of investments.

(o) Loss on extinguishment of convertible debt.

(p) Total tax effect for non-GAAP pre-tax adjustments of $(106.2) million, a net expense of $4.1 million for a change in estimated income taxes related to pre-acquisition periods associated with business combinations and uncertain tax positions included in prior year filings and an income tax benefit of $(6.7) million related to foreign research and development tax credits.

(q) Fair market value inventory adjustment rollout of $11.7 million related to the acquisition of Esprit Pharma Holding Company, Inc. (Esprit).

(r) One-time termination benefits, asset impairments and rollout of retention termination benefits and accelerated depreciation costs capitalized in inventory related to the phased closure of the Arklow, Ireland, breast implant manufacturing facility of $10.0 million, consisting of cost of sales of $8.8 million, selling, general and administrative expenses of $0.9 million and research and development expenses of $0.3 million.

(s) Integration and transition costs related to the acquisitions of Esprit and Cornéal, consisting of cost of sales of $0.1 million and selling, general and administrative expenses of $2.1 million.

(t) External costs of approximately $25.7 million associated with responding to DOJ subpoena and ACZONE® transaction costs of $0.6 million.

(u) Settlement related to the termination of a distribution agreement in Korea of $13.2 million.

(v) Gain on sale of technology and fixed assets of $0.9 million related to the phased closure of the collagen manufacturing facility in Fremont, California.

(w) Impairment of intangible asset of $5.6 million related to the phase-out of a collagen product.

(x) Non-cash interest expense associated with amortization of convertible debt discount of $24.9 million and related non-cash selling, general and administrative expenses of $0.1 million.

(y) Upfront payment of $13.9 million for in-licensing of Canadian SANCTURA® product rights that have not achieved regulatory approval.

(z) Upfront payment of $6.3 million for in-licensing of Asterand plc technology that has not achieved regulatory approval.

(aa) Upfront payment of $41.5 million for a license and development agreement with Spectrum Pharmaceuticals, Inc. for technology that has not achieved regulatory approval.

(ab) Upfront payment of $7.0 million for a license and development agreement with Polyphor Ltd. for technology that has not achieved regulatory approval.

(ac) Total tax effect for non-GAAP pre-tax adjustments of $(95.9) million, U.S. state and federal deferred tax benefit from legal entity integration of Esprit and Inamed Corporation (Inamed) of $(2.4) million, and negative tax impact from non-deductible losses associated with the liquidation of corporate-owned life insurance contracts of $3.8 million.

(ad) Fair market value inventory adjustment rollouts of $0.5 million and $2.8 million related to the acquisitions of Cornéal and Esprit, respectively.

(ae) Integration and transition costs related to the acquisitions of Inamed, Cornéal, Esprit, and EndoArt SA (EndoArt), consisting of cost of sales of $0.2 million and selling, general and administrative expenses of $14.5 million.

(af) Settlement of an unfavorable pre-existing Cornéal distribution contract for $2.3 million and $6.4 million legal settlement of a patent dispute assumed in the acquisition of Inamed.

(ag) In-process research and development charge related to the acquisition of EndoArt.

(ah) Interest income related to income tax settlements.

(ai) Non-cash interest expense associated with amortization of convertible debt discount of $23.2 million and related non-cash selling, general and administrative expenses of $0.1 million.

(aj) Total tax effect for non-GAAP pre-tax adjustments of $(60.7) million and favorable recovery of previously paid state income taxes of $(1.6) million.

(ak) Loss from discontinued operations associated with the July 2007 sale of the former Cornéal ophthalmic surgical device business.

(al) Integration and transition costs related to the acquisition of Inamed, consisting of cost of sales of $0.9 million; selling, general and administrative expenses of $19.6 million; and research and development expenses of $0.2 million.

(am) Fair market value inventory adjustment rollout of $47.9 million related to the acquisition of Inamed.

(an) Costs related to the acquisition of Cornéal of $0.1 million.

(ao) Transition/duplicate operating expenses related to restructuring and streamlining of European operations, consisting of selling, general and administrative expenses of $5.7 million and research and development expenses of $0.5 million.

(ap) Contribution to The Allergan Foundation of $28.5 million.

(aq) In-process research and development charge of $579.3 million related to the acquisition of Inamed.

(ar) Amortization of acquired intangible assets related to the acquisition of Inamed.

(as) Reversal of interest income on previously paid state income taxes and reversal of interest expense related to the resolution of uncertain tax positions.

(at) Costs to settle a previously disclosed contingency involving non-income taxes in Brazil.

(au) Total tax effect for non-GAAP pre-tax adjustments of $(61.9) million, resolution of uncertain tax positions and favorable recovery of previously paid state income taxes of $(11.7) million, reduction in valuation allowance associated with a deferred tax asset of $(17.2) million, change in estimated income taxes on 2005 dividend repatriation of $(2.8) million, and taxes related to intercompany transfers of trade businesses and net assets of $1.6 million.

(av) Transition/duplicate operating expenses related to restructuring and streamlining of European operations, consisting of cost of sales of $0.3 million; selling, general and administrative expenses of $3.8 million; and research and development expenses of $1.5 million.

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

(ax) 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).

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

(az) Buyout of a license agreement with Johns Hopkins University.

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

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

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

(bd) 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.

(be) Noncontrolling interest related to gain on sale of distribution business in India.

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

Strategically Prepared for the Health Care Market of the Coming Decade

TO OUR INVESTORS

Business conditions in the first half of 2009 were even more challenging than at the end of 2008. This, in combination with the changing dynamics of today's health care environment, has required all companies to take a critical look at their business operations and make adjustments in order to continue providing optimal health care solutions for patients while building stockholder value. We have used this period of great challenge as a catalyst for change, to retool our organization's skill sets and business practices and to make tough strategic trade-offs to help Allergan emerge from the recession as a lean, fit and adaptable company. We have refreshed our thinking about the way we do business and have sharpened our perspective on the best way to meet the needs of all our stakeholders, starting with the patients who depend on us most for safe, high-quality products. **With patients top of mind, innovation to advance patient care and the strengthening of our informational systems and educational initiatives were key areas of focus for Allergan in 2009.** Coupled with operational flexibility and efficiencies, smart business thinking, and the ability to set clear priorities and follow through on them, our core values have guided us on the path toward continued growth.

In 2009 we generated sales growth of 2.5 percent in U.S. Dollars and 4.9 percent in local currencies, with a decline in sales of 4.7 percent in U.S. Dollars in the first half of the year versus the prior year but, with the bottoming out of many economies around the globe, a much stronger growth of 10.0 percent in U.S. Dollars in the second half of the year. This was aided by the weakness of the U.S. Dollar relative to other currencies and a lapping effect compared to the weak end of 2008. At the beginning of the year, we provided investors with an expected range for adjusted Diluted Earnings per Share (EPS) growth of 5–7 percent. Applying great operating discipline, the final result was 8.2 percent growth versus 2008. *[A reconciliation between Generally Accepted Accounting Principles (GAAP) Diluted EPS and adjusted Diluted EPS is on pages 4–5.]* With the credit and liquidity shock at the end of 2008, we paid more attention to cash flow generation than ever before. The results were excellent, with operating cash flow of $1,113 million, and a post-capital expenditure net cash flow of $1,017 million, a record in the history of Allergan and comfortably surpassing our results prior to the recession.

With hindsight, it was sound thinking that in early 2009 we prepared for the worst with a restructuring in February that reduced our global headcount by approximately 460 employees (or 5 percent), primarily in the United States and Europe where the economies were most affected by the recession. We also instituted broad cost containment measures, renegotiated terms with our principal vendors, subjecting any use of consultants and contractors to rigorous management scrutiny, and evaluated every possible way to create efficiencies while ensuring that we stayed on course with our business strategy and commitments to physicians and patients. Regarding manufacturing, we were able to reduce the average cost of product produced by 4 percent versus 2008 by applying a host of techniques from renegotiating raw material contracts, improving line speeds and yields, and applying overall principles of Lean Manufacturing to our processes. Our intent was to preserve essential expenditures in Research and Development (R&D) and higher return sales and marketing programs, while leveraging investments made during the earlier years of buoyant growth. The restructuring was concentrated and targeted in two areas: the urology sales force in the United States, where we made the strategic decision to withdraw from a direct detailing presence in the general practitioner channel; and in marketing support functions in the United States and Europe. We also benefited from a decision made in early 2008 to close our breast implant manufacturing facility in Arklow, Ireland, and concentrate all global production in our existing, expanded low-cost facility in Costa Rica.

The global recession had varying impacts on different operating regions but particularly on our different product lines, which served to demonstrate the benefits of our diversity both in terms of business areas, products and geographies. For the full year, based on internal information and assumptions, approximately 72 percent of Allergan's sales were derived from products reimbursed by private insurers or government payors around the world, and 28 percent were based on cash paid electively by consumers for medical aesthetics procedures. This compares to a two-thirds/one-third percentage mix prior to the recession, a shift because elective cash pay products were subject to cutbacks in consumer spending and, as became quite clear in the downturn, in direct correlation to price. Accordingly, the highest cost procedure, surgery for breast augmentation, was hit the hardest; dermal fillers felt a medium impact; and the lowest cost procedure, BOTOX® Cosmetic, was by far the most resilient. Beyond medical aesthetics, we were initially surprised by the weakness of the market and our sales of obesity intervention products, particularly the LAP-BAND® Adjustable Gastric Banding System. Prior to the recession, about a quarter of this business was cash pay, and even the reimbursed segment was affected given a typical insurance co-payment in the range of $2,000 to $4,000 in the United States.

During the first half of 2009 we improved our ability to forecast the speed of contraction in our product markets, and we also rapidly reaped the benefits of the vigorous cost savings programs outlined above. By the middle of the year, we began to observe a bottoming out of the U.S. economy, resilience in several of the large European economies and continuing strength in East Asia and Brazil. Consequently, from the beginning of the third quarter we made the strategic decision to ramp up Direct to Consumer (DTC) advertising for several of our medical aesthetics brands including LATISSE®, RESTASIS®, our therapeutic dry eye product, JUVEDERM®, and, for LAP-BAND® System, to boost sales trajectory in anticipation of market recovery by generating greater awareness among patients of their treatment options. Unfortunately we had no FDA-approved advertisement available for BOTOX® Cosmetic. Operationally, DTC is all variable expenditure, and decisions to move spend up or down can be made on a short-term basis. In the fourth quarter, on rising confidence in economic recovery, we broadened our spending from DTC alone into other impactful high return marketing programs. We continue, however, to keep an iron grip on spending so that we can lock in the benefits, learned during the recession, of a lower cost operating model.

In the midst of the recession, the fundamentals underpinning the long-term success of our business model remained top of mind, including our commitment to patients, steady investment, scientific innovation and global expansion. Key areas of reflection were: how to position Allergan to emerge from the downturn even stronger and, as a specialist in each of our medical specialties, how to further increase our strategic differentiation from our key competitors.

STEADY INVESTMENT IN R&D AND SCIENTIFIC INNOVATION

Overall expenditure on R&D, on a non-GAAP adjusted basis, was $675 million, a decrease of 7.4 percent versus 2008. *[A reconciliation between GAAP R&D expenditures and adjusted R&D expenditures is on pages 4–5.]* Regarding R&D investment we would have liked to have spent much more. However, 2009 was a transition year as we completed many expensive Phase III trials: OZURDEX™ for retinal vein occlusion (RVO) and uveitis and, to a lesser extent, ACUVAIL® and ZYMAR® X. In addition, in the first few months of the year we were cautious about initiating new clinical studies given the uncertain economic outlook. But during this period we also took steps to ensure that a downturn in the economy would not slow innovation or progress in critical research to advance patient care. We made significant efficiency gains in clinical development so that we are now able to obtain much greater output at the same high standards for the same level of expenditure. This was achieved with no impact on quality by bringing in-house a greater number of clinical trials, which is more cost-efficient given that we can leverage our existing infrastructure; by conducting more clinical trials in lower-cost regions overseas; and by negotiating lower-cost contracts with preferred Clinical Research Organization (CRO) partners. In 2009, we were able to enroll 8 percent more patients per clinical research associate than in 2008. For 2010 we have further efficiency programs in place to reduce the cost of clinical trials, measured by cost per patient enrolled.

Even against this background of lower R&D spending, we achieved a steady stream of product approvals in major countries around the world. LUMIGAN® RC 0.01% was approved in the European Union, Canada and Brazil, and LUMIGAN® 0.03% was approved in Japan in partnership with Senju Pharmaceutical Co., Ltd. In partnership with GlaxoSmithKline (GSK), BOTOX® for glabellar lines was approved in China, and in Japan as BOTOX VISTA®. The French regulatory agency approved BOTOX® for upper and lower limb spasticity for children. LATISSE® was approved in Korea, the first market to follow the Food and Drug Administration (FDA) approval in the United States. Our JUVÉDERM® Ultra and Ultra Plus brands, formulated with lidocaine anesthetic, were launched in Europe and Australia and in early 2010 were approved in the United States under the JUVEDERM® Ultra XC and Ultra Plus XC brands. Additionally, VOLUMA™ XC incorporating lidocaine was approved in Europe. In the United States, major regulatory files were submitted to the FDA in 2009: BOTOX® for chronic migraine, OZURDEX™ for a new indication of uveitis and LAP-BAND® System for morbidly obese adolescents. In addition, in 2009 we also responded and liaised with the FDA regarding our 2008 filing for BOTOX® for spasticity. Due to increasingly challenging regulatory review processes at the FDA, we have not yet received approval for LUMIGAN® RC 0.01%, nor for the next generation silicone gel shaped breast implant, known as Style 410. Regulatory files for BOTOX® for chronic migraine were also submitted to the authorities in Canada, the United Kingdom, France and Switzerland.

As we pursue new solutions for patients through our R&D programs, our primary focus is on new glaucoma programs, next generation therapeutic dry eye products, and a next generation of neuromodulators with even more precise targeting of neurotransmitters. In these endeavors we do not rely upon internal sources of technology alone, but supplement these with research collaborations and acquisitions of technology from third parties. An example is the acquisition of Serica in early 2010 which brings us unique silk mesh-based technology for use in breast reconstruction. With almost $2 billion of cash currently on our balance sheet, we have the strategic flexibility to make further acquisitions to bolster our R&D pipeline and growth over the coming years.

PROGRESS ON A BROAD FRONT

Regarding selling, general and administrative (SG&A) expenditures, adjusted SG&A on a non-GAAP basis increased by 1.1 percent versus 2008. *[A reconciliation between GAAP SG&A expenditures and adjusted SG&A expenditures is on pages 4–5.]* A significant proportion of the increase was accounted for by the investments in DTC which were at a record $185 million, marking an increase of 47 percent over 2008 despite hard economic times and reflecting a conscious decision to spend into the recovery. By targeting our overall sales and marketing investments to selected areas, we made great progress on a broad front. Eye care pharmaceuticals, representing 47 percent of worldwide revenues, increased 4.6 percent in U.S. Dollars and 7.2 percent in local currencies. For the eighth consecutive year, Allergan has been the fastest growing global eye care pharmaceutical company,[1] thanks principally to RESTASIS®, our artificial tears brands led by REFRESH® and OPTIVE™, and our glaucoma franchise, led by the worldwide introductions of the

(1) Intercontinental Medical Statistics (IMS): 48 countries rollup, YTD Q3 2009.

fixed combination therapies of COMBIGAN® and GANFORT™. Based on continuing strong growth of 17.8 percent, RESTASIS® became the second largest single eye care pharmaceutical in the United States with sales of $523 million worldwide. Clearly a goal for the future is to secure approval for RESTASIS® in the European Union, Canada and Australia. It is already available in certain markets in Asia and Latin America.

Regarding the urology business, we made the decision noted above to withdraw from a direct presence in the general practitioner channel, where we determined we could not well serve the needs of physicians and patients without an expanded network for sales and support, despite having an optimal product. With an important pipeline of products in clinical development — for example, BOTOX® for overactive bladder, BOTOX® for benign prostatic hyperplasia, and apaziquone (in partnership with Spectrum Pharmaceuticals) for bladder cancer — we require access to customers beyond the urology channel alone. To this end, we were pleased that we were able to enter into a partnership with Quintiles Transnational Corporation to co-promote Allergan's SANCTURA XR® in the primary care channel. In the urology channel we strengthened our access and reach in the fourth quarter by combining our urology and medical dermatology sales forces into a single, larger force carrying SANCTURA XR® for incontinence, ACZONE® for acne, TAZORAC® for acne and psoriasis, and LATISSE® for eyelash growth, while maintaining dedicated marketing teams.

With LATISSE®, the first and only prescription pharmaceutical to increase the length, thickness and darkness of eyelashes, **Allergan is once again creating a new market with an innovative product, filling a previously unmet need and resulting in rapid uptake among consumers and physicians.** Since FDA approval and initiation of a national public relations campaign featuring Brooke Shields, LATISSE® has enjoyed more than 871 million media impressions, demonstrating the public's interest in this new consumer category. Sales are on a sharp increase and reached $74 million in the first year of launch. LATISSE® has been welcomed by our core plastic surgery and aesthetic dermatology customers as a moderately priced innovative product capable of attracting new patients even in a challenging economic climate. Given its performance characteristics and appeal to a broad age group and demographic, we believe LATISSE® has the potential to be our biggest single medical aesthetic product. Clinical trials are underway in Europe. LATISSE® has also expanded our *Total Facial Rejuvenation*™ product offering, further distancing Allergan in the breadth of our portfolio from the competition. While the dermal filler market worldwide underwent a double-digit decline, Allergan's sales decreased by 6 percent in U.S. Dollars and just 3 percent at constant currency. At the same time, thanks to the appreciation customers have for the smoothness of JUVÉDERM® and the incorporation of lidocaine for pain control, Allergan steadily gained market share and by the third quarter was at equal global market position with the former market leader, *Restylane*®. With the breast aesthetics market also experiencing a double-digit decline, we were pleased that we maintained market share worldwide, with a minor loss in the United States offset by market share gains overseas as many smaller undiversified competitors suffered major financial difficulties.

GLOBAL EXPANSION IN HIGH-GROWTH MARKETS

While spending plans in the United States and Western Europe were very carefully weighed in 2009, we did not hold back on expansion in the fastest growing parts of the world. We have always held strong market positions in India and Brazil but made growth both for eye care pharmaceuticals and medical aesthetics a special focus in Asia and Eastern Europe. In Korea, the most developed market in Asia for medical aesthetics, Allergan now directly sells BOTOX®, JUVÉDERM® and breast implants through its own sales organization. In addition, in Korea we formed a joint venture for eye care pharmaceuticals with our long-time partner, Samil Pharmaceutical Co., Ltd., making us the leading Korean eye care company. In China, we established our own sales operation for eye care pharmaceuticals. In Eastern Europe, we also made major progress in eye care pharmaceuticals and are preparing for the launch of many products in 2010 in Russia and the Ukraine.

PREPARED FOR COMPETITION

For many years, we had been diligently preparing for competition to BOTOX® in North America in both the aesthetic and therapeutic categories as well as for new competition elsewhere around the world. As a mark of our successful strategic execution, we are pleased that BOTOX® sales were flat, depressed by the strength of the U.S. Dollar, but grew 2.5 percent in local currencies, with therapeutic indications growing by approximately 4 percent in U.S. Dollars, BOTOX® Cosmetic (marketed as VISTABEL® in Europe or BOTOX VISTA® in Japan) declining by approximately 4 percent, with growth overseas offsetting the decline in the aesthetic market in the United States.

In the middle of the year, *Dysport*® was approved in the United States with a therapeutic indication for cervical dystonia and an aesthetic indication for glabellar lines. The approval came with a requirement for revised labeling that all toxin manufacturers were obliged to adopt, including a boxed warning laying out the risks as well as the benefits of neuromodulator treatments. One of the main focuses of the FDA was to communicate the lack of interchangeability between botulinum toxin units and the lack of valid dose conversion ratios between the products. This is a core educational component of the Risk Evaluation and Mitigation Strategy (REMS) program that all toxin manufacturers have adopted, and this has highlighted the steep learning curve required to administer a different botulinum toxin product and still achieve optimal patient outcomes. Our 20 years of experience with BOTOX® and competition with *Dysport*® in overseas markets, principally in Europe, have shown that physicians are extremely cautious in adopting a new product with very different treatment protocols, particularly in therapeutic, reimbursed indications. In the aesthetic market, *Dysport*® and other competitors have always competed on the basis of price discounting, yet BOTOX®/VISTABEL® in Europe has maintained approximately 80 percent share[2] against *Dysport*® and a German product, *Xeomin*®. In Europe, the impact of *Azzalure*®, the trade name of *Dysport*® for aesthetic use which is marketed by Galderma, has been limited and *Xeomin*®, marketed by Merz, has had only limited sales outside its German home market. As the world economies recover, we remain hopeful that competition, benefiting consumer choice amongst products, will indeed stimulate market growth, provided that a significant investment is made by our new competitors to ensure proper and safe administration of their toxin products.

Meanwhile, we were proud that 2009 marked the 20th anniversary of BOTOX® in the United States and of Allergan's leadership in exploring the full potential of this versatile medicine to advance patient care. The value of the BOTOX® brand, today one of the most recognized pharmaceutical brands in America,[3] derives from this commitment and from its own heritage based on the quality and safety of the product, including the broadest number of indications approved and a track record and long established safety profile based on more than 29 million treatment sessions and 26 million vials sold[4] over the last 20 years. Furthermore, we are proud that BOTOX® is one of the most widely researched medicines in the world with approximately 2,100 publications[5] on botulinum toxin type A in scientific and medical journals. All of this, coupled with the breadth of our medical aesthetic portfolio and unparalleled market reach and customer service, helps to explain why BOTOX® currently maintains a very high market share of 82 percent worldwide.[2]

Last year we also managed competition in the bariatric surgery market as we felt the full-year impact of the launch of the *Realize*® Band by Ethicon Endo-Surgery in the United States. **Once again, we prepared carefully for a serious, well resourced competitor and welcomed this as an opportunity that would drive market expansion and more services for patients.** Thanks to product design advantages of the LAP-BAND AP® System, our focus on customers and our distribution partnership with Covidien, we are pleased that we maintained in excess of 70 percent[6] market share in the United States. Overseas we estimate that we enjoy a 60 percent[6] market share competing against Ethicon as well as a number of smaller local competitors. In the European Union and Canada, our label was expanded to include the benefits of alleviation or remediation of type 2 diabetes following major weight loss following a LAP-BAND® System procedure. Over the long term our focus will be on how we can grow the market for gastric bands as well as less invasive products such as our ORBERA™ intragastric balloon, which is currently approved outside of the United States, to fight the global obesity epidemic.

In 2009 we also faced generic threats to our eye care pharmaceutical business for the first time in a decade, particularly in the United States. **The only truly effective response in this type of situation is to ensure that we are always advancing patient care through improved science-based products.** To that end, we heavily focused on the glaucoma market, the largest segment of the eye care market. Since the launch of ALPHAGAN® (brimonidine) 0.2% in 1997 in the United States, we have launched several new products containing brimonidine with improved product benefits and favorable patient safety profiles — for

2009–2010 Granted Approvals

PRODUCT	INDICATION	COUNTRY	YEAR
ACUVAIL®	Pain and Inflammation	United States	2009
BOTOX®	Glabellar Lines	China*	2009
BOTOX®	Juvenile Cerebral Palsy	Japan*	2009
BOTOX®	Juvenile Spasticity	France	2009
BOTOX®	Neurogenic Overactive Bladder	Brazil	2009
BOTOX VISTA®	Glabellar Lines	Japan*	2009
LATISSE®	Hypotrichosis of the Eyelashes	Korea	2009
LUMIGAN® 0.01%	Intraocular Pressure/Glaucoma	Canada, Brazil	2009
LUMIGAN®	Intraocular Pressure/Glaucoma	Japan**	2009
OZURDEX™	Macular Edema Associated with Branch Retinal Vein Occlusion (BRVO) or Central Retinal Vein Occlusion (CRVO)	United States	2009
JUVEDERM®	Facial Aesthetics Ultra and Ultra Plus with lidocaine	United States	2010
LUMIGAN® 0.01%	Intraocular Pressure/Glaucoma	European Union	2010
OZURDEX™	Macular Edema Associated with Branch Retinal Vein Occlusion (BRVO) or Central Retinal Vein Occlusion (CRVO)	India, New Zealand	2010
SANCTURA XR®	Overactive Bladder	Canada	2010

2010 Pending Approvals

PRODUCT	INDICATION	COUNTRY
BOTOX®	Upper Limb Spasticity	United States
BOTOX®	Chronic Migraine	United States, Europe
LAP-BAND® System	Adolescent Indication	United States
LUMIGAN® 0.01%	Intraocular Pressure/Glaucoma	United States
***Natrelle*® Style 410**	Breast Reconstruction & Augmentation	United States
OZURDEX™	Uveitis	United States
ZYMAR® X	Anti-infection	United States

* Through partnership with GlaxoSmithKline in Japan and China.
** Through partnership with Senju Pharmaceutical Company, Ltd. in Japan.

(2) MAT Q3 2009. Internal estimates. Mixture of public information (earnings releases, 10Ks, 10Qs), D&B, Allergan internal data, syndicated marketing research reports, analyst reports, internet searches, competitive intelligence, etc.

(3) Allergan data on file.

(4) Allergan data on file; Global Regulatory Affairs.

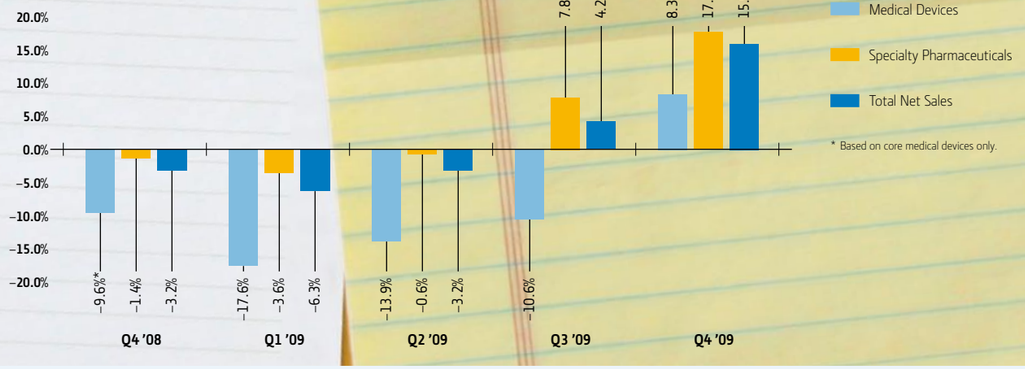
(5) Allergan data on file; Global Literature & Information Services.

(6) MAT Q2 2009. Internal estimates. Mixture of public information (earnings releases, 10Ks, 10Qs), D&B, Allergan internal data, syndicated marketing research reports, analyst reports, internet searches, competitive intelligence, etc.

Recovery in 2009

NET SALES — QUARTER OVER QUARTER GROWTH

(Compared to prior year)



instance, ALPHAGAN® P 0.15%, ALPHAGAN® P 0.1% and most recently COMBIGAN® (brimonidine tartrate/timolol maleate ophthalmic solution) 0.2%/0.5% fixed combination therapy. With the patient benefits of comparable product efficacy but with less drug exposure, the focus of our sales has moved toward ALPHAGAN® P 0.1%, as well as toward COMBIGAN® 0.2%/0.5%, which offers the benefit of fewer doses per day in the fixed combination of the two component drugs, reducing intraocular pressure (IOP). Given the normal risks of patent litigation, we chose to mitigate our risk and entered into a settlement with Alcon several years ago, granting Alcon a royalty-bearing license to launch a generic brimonidine 0.15% product in the fourth quarter of 2009. In late summer, the U.S. District Court in Delaware upheld the validity of all five of the patents covering ALPHAGAN® P, thus giving us, subject to appeal, the benefit of a patent estate that extends to 2022. For 2010, the bulk of our sales in the United States will stem from ALPHAGAN® P 0.1% and COMBIGAN® 0.2%/0.5%, and the impact of generics to our ALPHAGAN®/COMBIGAN® franchise will be limited.

A smaller franchise also exposed to generic competition is ACULAR®, which is the U.S. market leader for non-steroidal anti-inflammatories indicated for post-cataract surgery. The patent for ACULAR® expired in November 2009. With competition on the horizon, we were once again inspired to pursue greater scientific innovation. In August, we launched a next generation product, ACUVAIL®, which offers several patient benefits in terms of the convenience of twice versus four times per day dosing, and a very low level of burning and stinging upon application compared to ACULAR® and the overall comfort of a non-preserved unit dose formulation. For 2010, we may face generic competition, pending the outcome of patent litigation, to our ZYMAR® anti-infective product. To this end, we filed with the FDA in 2009 an improved ZYMAR® X product.

READY FOR THE GLOBAL UPTURN

With our portfolio of market leading medical aesthetics products, global reach and DTC investments made in 2009 in anticipation of a global economic recovery, we believe that we are well positioned to be both ready and to grow as a result of the return of consumers seeking innovative, cost-effective solutions to their medical aesthetics needs. We have already seen clear signals of improvement in many geographies.

In addition to the economically sensitive part of our business, we are driving growth from the recently approved products that maximize our assets in reimbursed businesses. For example, OZURDEX™ indicated for retinal vein occlusion and filed with the FDA for approval of the additional indication of uveitis, brought Allergan into the fastest growing segment of the global ophthalmic pharmaceutical market: retinal therapeutics. We have also filed OZURDEX™ with the European Medicines Evaluation Agency (EMEA). Today, diseases of the retina are the leading cause of blindness in industrialized countries.[7]

Furthermore, we are preparing for an approval of BOTOX® for chronic migraine, for use in a population that suffers more than 15 headache days per month and affects more than a million people in the United States alone.[8][9] A supplemental Biologics License Application (sBLA) for BOTOX® in chronic migraine was filed in 2009 with the FDA as well as with regulatory authorities in the United Kingdom, France, Switzerland and Canada; filings in several other key countries are following shortly. Of all the programs in Allergan's pipeline in the coming few years, BOTOX® for chronic migraine is currently the most significant. Regarding adult spasticity, we also are awaiting response from the FDA to our file. BOTOX® is approved for adult spasticity in almost every other country in the world and this patient population is one of the largest segments utilizing and benefiting from BOTOX® therapy worldwide. Finally, we are expecting to file BOTOX® for a neurogenic overactive bladder indication before the end of 2010.

PREPARED FOR THE DAWN OF A NEW HEALTH CARE ERA IN 2010

With some form of health care reform legislation anticipated in the United States as well as increasing efforts by governments all around the world to rein in the rising costs of reimbursed health care, driven by an aging population and the availability of advanced medical technologies, **both the pharmaceutical and medical device industries are entering a new era that will ask the very best of us in terms of innovation to bring meaningful medicines and therapies to physicians and patients worldwide.**

(7) Prevent Blindness America. Available at: http://preventblindness.org/uveitis/. Accessed: February 22, 2010.

(8) Scher AI, Stewart WF, Liberman J, Lipton RB. Prevalence of frequent headache in population sample. Headache, 1998.

(9) Bigal ME, Serrano D, Reed ML, Lipton RB. Chronic Migraine in the Population. Neurology, 71; 2008.

Governments' ability to pay for health care will be a continuing pressure and felt more acutely during a period of lower tax receipts. At the same time, this pressure will be accompanied by demands for increased value. Allergan is in a unique position to face these challenges with:

- A mix of businesses addressing the cash pay and reimbursed markets;
- New technologies advancing the care of retinal disease, combined with a pipeline focused on unmet areas of need such as age-related macular degeneration;
- Work in neurosciences to explore the full potential of BOTOX® to address currently unmet medical needs;
- Medical aesthetics offerings uniquely attuned to consumers' "wish lists" and the market demand for natural beauty;
- Intervention products that address the highly burdensome global epidemic of obesity and its consequences in terms of diabetes and cardiovascular disease; and
- Several global businesses increasingly embedded in the fastest growing emerging economies of the world.

Given these challenges, we strongly believe that we must be efficient in all that we do. To this end, we have a limited number of five manufacturing plants across the globe and are striving to execute a more efficient model of global clinical development in R&D. **In the new world of health care, including increasing regulatory requirements in the United States and overseas, new skills are necessary.** Increasing expertise is required in medical affairs, regulatory affairs, pharmacovigilance and pharmacoeconomics. We believe that we, as a medium sized company with relative agility, have been able to attract and develop the talent to build these skill sets. As an example, in managed care, we have been recognized by managed care organizations in the United States as one of the top 10 companies in the industry.[10] Clearly, traditional selling models are in evolution with ever tighter compliance rules governing the interaction with medical professionals and doctors that leave less time to see and listen to pharmaceutical and medical device representatives. While changes in selling models have already been dramatic in the general practitioner channel, we are applying these insights to adapt sales and marketing models in our specialist fields.

BRINGING LOGIC AND GOOD SENSE TO THE DEBATE OVER HEALTH CARE REFORM

Allergan also strives to contribute to and to advocate for sound public policy as health care is reformed. In this regard we were vocal in our opposition to the proposed tax on medical aesthetic procedures that was considered as part of the Senate health care reform bill and known popularly as the "Botax." The intent of the tax was to target the affluent population, but the facts proved that the burden would have fallen on middle class working mothers. Also unlike other "sin taxes," which tax the use of products that lead to an increased burden on public health care costs, a tax on medical aesthetic procedures would have been unjust, discriminatory and punitive, as the desire to look and feel one's best certainly does not lead to increased utilization of reimbursed health care, and thus had no place in the financing of health care reform. Fortunately, good sense prevailed and the provision was removed from the bill.

(10) Allergan data on file.

OUTLOOK FOR 2010

Despite our many strategic assets and advantages, we believe that 2010 will be another year with unique challenges and opportunities. While it is fairly clear that various regions of the world are trending toward recovery, forecasting the shape of that recovery is still difficult, as is forecasting the trajectory of the exchange rate of the U.S. Dollar versus other leading world currencies. For several years now, we've known that competitive events will cluster in 2010 and we expect will pass by 2011. We have been and are fully prepared for this competition. In 2010 we will still be absorbing the impact of a full year of competition from *Dysport*® in the United States, while facing the potential approval of *Xeomin*® (for cervical dystonia and spasticity) in the United States during the course of the year. Additionally, we will have to absorb loss of sales to generics in three ophthalmic products, despite all of our mitigation strategies.

Given all of these considerations, we have been cautious in the expectations provided for growth both in sales and in non-GAAP Diluted EPS, the latter in a range of 11 percent to 13 percent for 2010. We also wish to invest appropriately in innovation for the mid- to long-term as we again ramp up expenditures in R&D in 2010.

And finally, in 2010, we look forward to celebrating Allergan's 60th anniversary since the founding of the Company by Gavin Herbert, Sr. **When we look back at six decades of growth and accomplishments, we see a heritage rooted in the consistent pursuit of scientific innovation to advance patient care, and shaped through the insights gained by keeping the needs of physicians and patients always top of mind.** Only three CEO's have led the Company over this period, a further testament to Allergan as a company that is built to last and guided by long-term strategic vision and investment.

DAVID E.I. PYOTT, CBE
Chairman of the Board
and Chief Executive Officer

In turbulent times, companies require the very best of employees and the maximum contribution from them. I would like to recognize the exceptional efforts made by many different groups of employees around the globe for their discipline, attention to operational execution, as well as their creativity. Allergan also has an exceptionally strong Board of Directors with deep, global pharmaceutical and health care experience, flanked by expertise in the fields of science, finance and consumer marketing. Many of these skill sets were called upon as we navigated through the economic crisis. We are grateful to physicians and patients for placing continued trust in our products and for always helping us see the potential for addressing complex health care needs with innovative solutions.

09 highlights & accolades

APRIL 2009 *Institutional Investor* magazine — David Pyott named one of the "Best CEOs in America."

APRIL 2009 Allergan received approval in Canada for LUMIGAN® (bimatoprost ophthalmic solution) 0.01% for the reduction of elevated intraocular pressure in patients with open-angle glaucoma or ocular hypertension.

APRIL 2009 In surveys conducted by the Health Industries Research Council, pharmacy benefit managers and Medicare prescription drug plans ranked Allergan #2 in the United States among pharmaceutical manufacturers for the value of its customer programs and contract offerings.

MAY 2009 Allergan received a complete response letter from the U.S. Food and Drug Administration (FDA) regarding the Company's supplemental Biologics License Application (sBLA) for BOTOX® to treat upper limb spasticity in post-stroke adults.

MAY 2009 Subsequent to Allergan's development and promotion agreement with GlaxoSmithKline (GSK) initiated in 2005, Allergan announced GSK received approval of BOTOX VISTA® (botulinum toxin type A) in Japan for the treatment of glabellar lines and approval of BOTOX® for equinus foot due to lower limb spasticity in juvenile cerebral palsy patients. GSK also received approval of BOTOX® in China for the treatment of glabellar lines.

MAY 2009 Allergan included in the *Financial Times* Annual Global 500 List of the world's largest companies.

JUNE 2009 The FDA approved OZURDEX™ (dexamethasone intravitreal implant) 0.7 mg as the first pharmaco-therapy indicated for the treatment of macular edema following branch retinal vein occlusion or central retinal vein occlusion. OZURDEX™ is a bioerodable formulation of dexamethasone therapy delivered using NOVADUR™ technology in Allergan's proprietary release drug delivery system via intravitreal injection. This is Allergan's first commercially launched product in the retina market resulting from the Company's strategic focus on the development of therapies for back-of-the-eye diseases.

JULY 2009 Senju Pharmaceutical Co., Ltd. received approval in Japan for LUMIGAN® Ophthalmic Solution 0.03% for the treat-ment of glaucoma or ocular hypertension. In 2004, Allergan and Senju entered into an exclusive licensing agreement in Japan to market and develop LUMIGAN® within the ophthalmic specialty area.

JULY 2009 Allergan entered into a joint venture in Korea with Samil Pharmaceutical Co., Ltd. following decades of partnership to establish a leading position in ophthalmic pharmaceuticals. In addition, LATISSE® (bimatoprost ophthalmic solution) 0.03%, a novel treatment to stimulate eyelash growth, was approved in Korea.

JULY 2009 Allergan received FDA approval for ACUVAIL® (ketorolac tromethamine ophthalmic solution) 0.45%, an advanced, preservative-free formulation of ketorolac, a non-steroidal anti-inflammatory drug with enhanced tolerability and more convenient twice-daily dosing indicated for the treatment of pain and inflammation following cataract surgery.

JULY 2009 In Europe, the labeling for LAP-BAND AP® System, Allergan's minimally-invasive gastric banding product, was expanded following regulatory approval to include information that weight loss following a LAP-BAND® System procedure has been shown to improve or lead to remission of type 2 diabetes in the morbidly obese.

AUGUST 2009 The labeling for LAP-BAND® System was expanded in Canada to include information that weight loss following a LAP-BAND® System procedure has been shown to improve or lead to remission of type 2 diabetes in the morbidly obese.

SEPTEMBER 2009 A collaboration agreement was announced with Pieris AG, a biopharmaceutical company engaged in the discovery and development of a novel class of targeted human proteins (Anticalins) designed to diagnose and treat serious human disorders. The agreement combines Pieris' proprietary Anticalin technology with Allergan's expertise in drug delivery and ophthalmic drug development, with a goal of developing agents for the treatment of serious ocular disorders.

SEPTEMBER 2009 Allergan and Quintiles Transnational Corp., the only fully integrated biopharmaceutical services company offering clinical, commercial, consulting and capital services worldwide, announced an agreement under which Quintiles will co-promote Allergan's SANCTURA XR® (trospium chloride extended release capsules) predominantly to primary care physicians in the United States. SANCTURA XR® is a once-daily, anticholinergic medication approved for the treatment of overactive bladder. Quintiles will also co-promote LATISSE® for eyelash growth and ACZONE® for acne.

SEPTEMBER 2009 The French Health Ministry approved BOTOX® (botulinum toxin type A) for the treatment of spasticity in the upper and/or lower limbs in children aged 2 years and over. BOTOX® was first approved in France for upper and lower limb spasticity in adults in 2005.

SEPTEMBER 2009 Allergan was recognized on the Dow Jones Sustainability North American Index.

SEPTEMBER 2009 Allergan was recognized on the CDP Global 500 Carbon Disclosure Leadership Index.

OCTOBER 2009 *Med Ad News* — Allergan was voted "Most Admired Specialty Company" for the second year in a row.

OCTOBER 2009 Allergan announced that the Committee for Medicinal Products for human use recommended granting a Marketing Authorization for LUMIGAN® 0.01% in the 27 member states of the European Union.

OCTOBER 2009 Allergan announced filing a supplemental New Drug Application (NDA) with the FDA for the approval of OZURDEX™ (dexamethasone intravitreal implant) 0.7 mg for the treatment of non-infectious intermediate and posterior uveitis, an eye inflammation that is one of the leading causes of blindness.[1]

OCTOBER 2009 Allergan announced filing a sBLA with the FDA for the use of BOTOX® to treat chronic migraine (headaches and/or migraines that occur on 15 or more days each month).

OCTOBER 2009 Allergan announced filing a supplemental premarket approval application (PMA) with the FDA for the LAP-BAND® System for weight reduction for severely obese adolescents (ages 14–17).

DECEMBER 2009 *Harvard Business Review* — David Pyott was named one of the Top 50 CEOs in the world.

DECEMBER 2009 Marked the 20th anniversary of BOTOX® in the United States. Since its first FDA approval in 1989 for strabismus and blepharospasm, BOTOX® has been approved in approximately 80 countries for 21 different indications.

DECEMBER 2009 As part of its participation in the UN Global Compact, Allergan joined *Caring for Climate*, the world's largest global business coalition on climate change; *CEO Water Mandate*, focused on developing corporate strategies and solutions to contribute positively to global water issues; and *CEO Letter on Anti-Corruption*, which seeks to promote and strengthen measures to prevent and combat corruption.

(1) Prevent Blindness America. Available at: http://preventblindness.org/uveitis/. Accessed: February 22, 2010.

WHAT WE THINK OF FIRST.

For almost 60 years it's been our business to advance patient care — through both scientific innovation and better services. Everything we do in every part of our organization is focused on the health and well-being of the patients we serve.

Safety is the first thing we consider when we make decisions about which new drugs and devices to develop or advance. For precisely this reason, we are primarily focused on developing products that work topically or locally versus systemically. If a favorable risk versus benefit profile can't be met, the project won't move forward. Not only are our safety standards high, but so are our aspirations. A product must truly add value in its category and make a difference in a patient's life for it to be worthwhile to us.

But our responsibility doesn't end there. Implicit in our role as a health care company is our promise to help physicians and patients make the most well-informed decisions possible about the use of our products and their benefits and risks. We maintain strict post-marketing surveillance and have worked closely with worldwide regulatory authorities to ensure we are giving a full picture of our products' risk/benefit profiles once they are available in market. In this, there can be no compromise. Therefore, we've deepened our dialogue with everyone involved in the care of patients — including doctors, hospitals, policy makers, payors, governments — by providing more safety, efficacy and health economics data about our products to facilitate wise decisions in an increasingly complex health care environment.

“My standard is, would this product

BE SAFE ENOUGH FOR ME or SOMEONE I LOVE?”

Joany Verschuuren

Manager, Market Access & Government Relations/Canada

Married and companion to sport dogs

WE ARE INNOVATING FOR A NEW ERA.

The demand for fundamental change in health care has never been more loud and clear, and the need for innovative treatments with better safety, efficacy and cost effectiveness has never been more important. But this need has always been top of mind at Allergan. Our Research and Development (R&D) organization is driven by people who would not be satisfied working on a ‘me too’ drug. We recognize that diseases are complex and patients are individuals — that no one size fits all. So, we strive to discover cutting-edge therapies to give physicians and patients new treatment options that don’t exist today, but will benefit many in the future.

Among other things, the medicine of the future will call for more targeted therapies with improved risk/benefit profiles, requiring the marriage of scientific expertise and new technology. A product of ours that exemplifies this marriage is OZURDEX™ (dexamethasone intravitreal implant) 0.7 mg, which was approved by the U.S. Food and Drug Administration (FDA) in June 2009. OZURDEX™ is the first drug therapy indicated for the treatment of macular edema following retinal vein occlusion — the second most common retinal vascular disease after diabetic retinopathy[1] and a significant cause of vision loss. OZURDEX™ delivers a biodegradable implant containing a potent corticosteroid via intravitreal injection to suppress inflammation and maintain edema control, improve vision and patient safety. Until very recently the goal of most retinal disease treatments was to prevent additional loss of vision. OZURDEX™ is one of a new generation of therapies that actually helps patients regain vision. To take this further, we are actively exploring the drug delivery platform used in OZURDEX™ for treating other retinal diseases, which are now the leading cause of blindness in industrialized countries.[2]

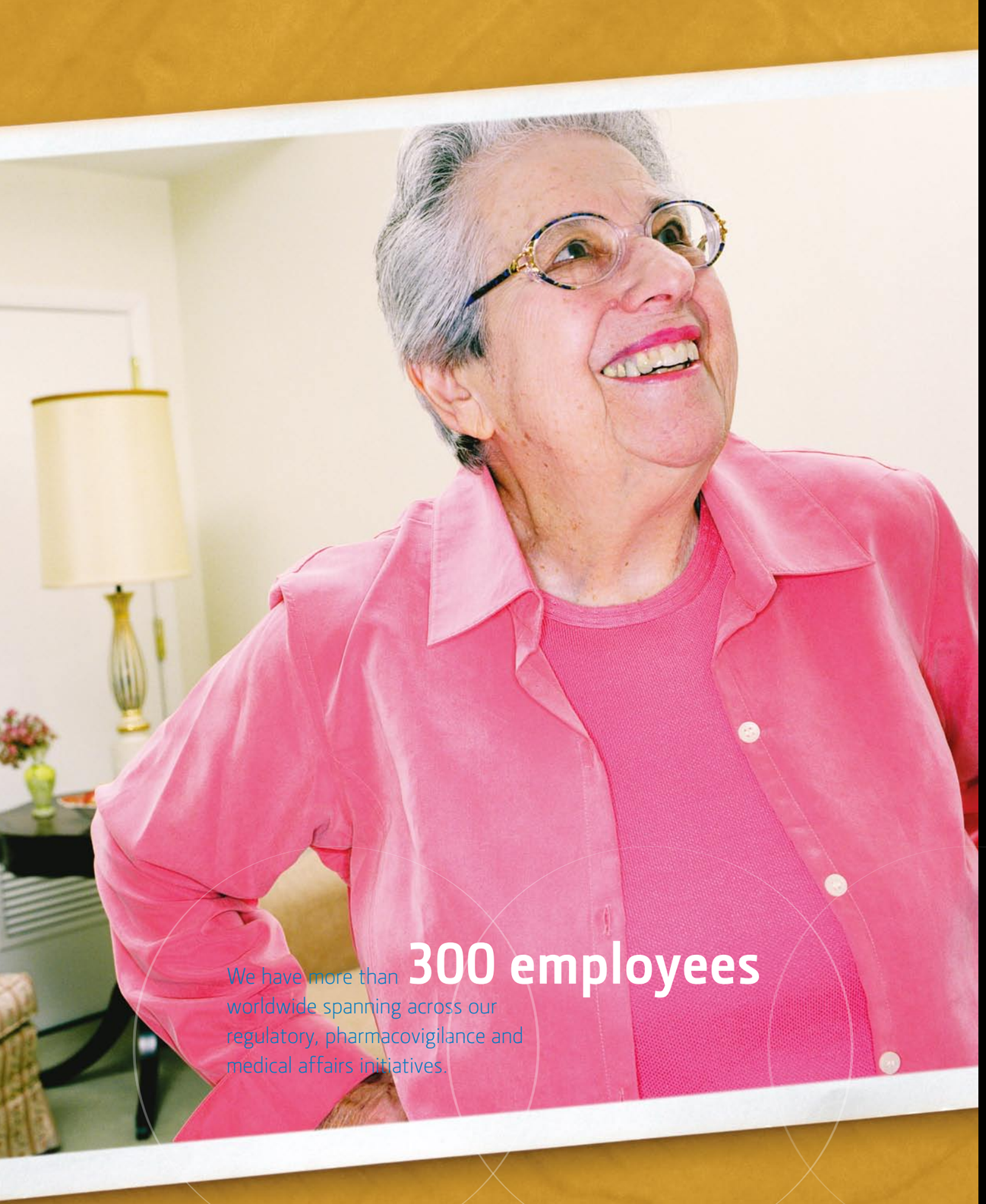
Similarly, we’re continuing to explore the full potential of BOTOX® (onabotulinumtoxinA) in other important therapeutic areas. In 2009, we received a complete response letter from the FDA regarding our filing of a supplemental Biologics Application (sBLA) for the use of BOTOX® to treat upper limb spasticity in post-stroke adults. Signaling the potential value of this new use for BOTOX® in the United States (BOTOX® is already approved for this specific use in almost all countries worldwide), the FDA proposed revised labeling for BOTOX® that would broaden the indication beyond use post-stroke to any condition characterized by upper limb spasticity, such as traumatic brain and spinal cord injuries. We also filed with the FDA a sBLA for BOTOX® to treat chronic migraine (headaches and/or migraines that occur on 15 or more days each month) and corresponding regulatory files with the authorities in the United Kingdom, France, Switzerland and Canada. BOTOX® is the first therapy being investigated for this debilitating condition which affects between 1.2 million and 3.6 million Americans.[3][4]

(1) Héron E., Marzac C., Feldman-Billard S., Girmens J., Paques M. , Delarue R. , Piette J., Casadevall N., Hermine, O. Endogenous Erythroid Colony Formation in Patients with Retinal Vein Occlusion. Ophthalmology, 114; 2007.

(2) Retina Research Foundation. Available at: http://www.retinaresearchfoundation.org. Accessed: February 22, 2010.

(3) Scher AI, Stewart WF, Liberman J, Lipton RB. Prevalence of Frequent Headache in a Population Sample. Headache, 38; 1998.

(4) Bigal ME, Serrano D, Reed ML, Lipton RB. Chronic Migraine in the Population. Neurology, 71; 2008.



We have more than **300 employees** worldwide spanning across our regulatory, pharmacovigilance and medical affairs initiatives.

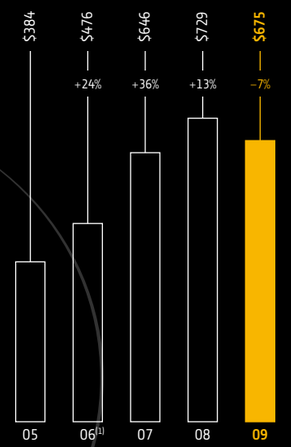
WE ARE INNOVATING FOR A NEW ERA. (CONTINUED)

In medical aesthetics, where the demand for innovation is nearly insatiable, we worked hard to continue leading the way with science-based solutions that deliver on their promises, exemplified by the successful 2009 introduction of LATISSE® (bimatoprost ophthalmic solution) 0.03% in the United States and its subsequent approval in Korea. LATISSE® is the first and only treatment approved by the FDA for hypotrichosis of eyelashes (i.e., inadequate or not enough eyelashes) to enhance eyelash prominence as measured by increased length, thickness and darkness of eyelashes.

We also pursued expanded labeling in Europe for the LAP-BAND AP® System, Allergan's minimally-invasive gastric banding product and an important treatment option for severely obese adults with a Body Mass Index (BMI) of 40 or more, or for adults with a BMI of at least 35 plus at least one severe obesity-related health condition, such as type 2 diabetes, hypertension or asthma. The expanded label now includes information on the positive effects that weight loss following the LAP-BAND® Adjustable Gastric Banding System procedure has been shown to improve or lead to remission of type 2 diabetes in the morbidly obese. A similar label expansion was granted in Canada. In the United States, we focused on filing a supplemental premarket approval application (PMA) with the FDA for the LAP-BAND® System for weight reduction in severely obese adolescent patients (ages 14–17). Additionally, we are studying the use of LAP-BAND® System in weight management for patients with lower BMI (≥30 and <40), as well as evaluating the potential use of less invasive devices like our ORBERA™ intragastric balloon for this patient population.

R&D Spend*

(in millions of dollars)



* Adjusted for non-GAAP items. A reconciliation between GAAP R&D expenditures and adjusted R&D expenditures is on pages 4–5.

(1) Includes Allergan Medical activities for 9 months.

More than **$3** billion invested in R&D from 2004–2009.**

**Allergan data on file.

WE ARE FOCUSING WHERE IT COUNTS.

Allergan is a diverse company of more than 8,300 people in over 100 countries. We derive our greatest strength from our ability to work together across disciplines — from R&D, medical affairs and sales and marketing to regulatory affairs, health care policy and managed care — yet with a singular focus: to understand deeply and champion patients in all that we do, when and where it counts most.

For example, in 2009 our medical and regulatory affairs staffs worked closely with the FDA to implement an important Risk Evaluation and Mediation Strategy (REMS) program — required by the FDA for all botulinum toxins — to ensure the safe use of BOTOX® by physicians and patients. At the same time our clinical teams, in collaboration with leading researchers in the field and the FDA, remained focused on exploring potential therapeutic uses for BOTOX® for such serious or debilitating conditions as upper limb spasticity, chronic migraine, overactive bladder and benign prostatic hyperplasia.

To expand reimbursement, our managed markets and health care policy team worked to quantify the value of our pharmaceutical and obesity intervention therapies and clearly define their benefits to private and government payors to help ensure patients have access to the treatments they need and want. Also, to support our medical aesthetics physicians and consumers seeking ways to rejuvenate themselves through medical treatments, we spoke up and initiated a successful opposition campaign when lawmakers in the United States proposed a punitive and discriminatory tax on cosmetic procedures that had no place in health care reform, since these procedures and treatments are not covered by health insurance and the tax would have had a disproportionate impact on middle class women.

Additionally, our national communications initiatives in 2009 centered on engaging communities of patients and consumers in meaningful ways, beyond the benefits offered by our products, to help raise awareness for important causes deserving help and support. For example, we launched the 'LATISSE® Wishes Campaign' to help support the Make-A-Wish Foundation, a nonprofit organization dedicated to granting the wishes of children with life-threatening medical conditions. Also, we launched the 'BOTOX® Cosmetic: Express Success Campaign' to raise awareness for Dress for Success, an organization that promotes the economic independence of disadvantaged women by providing professional attire, a network of support and career development tools to help women thrive in work and in life.

LATISSE® raised
$1 million
to support the
Make-A-Wish Foundation
to grant the wishes of
135 children.

And **$250,000**
was raised by BOTOX® Cosmetic
to support Dress for Success;
1,000 women donated nearly
new professional attire to help
women in need.

"I'll always remember
the patient who said
to me, **'YOU'RE DOING IMPORTANT WORK.'**
It gets me going every day."

Christine Marquardt

Neurosciences Business Unit
Director/Germany

Married and mother of
two daughters

"I'm proud we are still

PROVIDING PATIENTS WITH OPTIONS, even

in these difficult economic times."

Imperia Tosini

Administrative Assistant,
Allergan Medical/Canada

Married and mother of one boy

To date, more than

500,000

LAP-BAND® System patients worldwide.*

*Allergan data on file.

WE ARE KEEPING OUR COMMITMENTS.

Like everyone else, we had to make some difficult choices in 2009 in response to the global economic downturn. We scrutinized expenditures, instituted cost controls and looked with a fresh eye at some of our business practices. Top of mind, however, were the promises we made to physicians and patients to continue our search for safe and effective treatment options, while working to address today's health care needs.

Specifically, despite the effects of the economy on our obesity intervention business, we stayed in the fight against the global obesity epidemic and its link to other serious conditions like diabetes. A major health crisis, obesity affects approximately 400 million adults worldwide[1] and crosses many boundaries and affects people in different ways, so in 2009 we continued advancing solutions across the full continuum of care. By providing bariatric surgeons and patients with best-in-class, high-quality products like the LAP-BAND AP® System, we maintained our global leadership position with approximately 70 percent market share worldwide.[2]

We also continued to invest in our urology business to address the need for new treatment options for overactive bladder (OAB), a condition that affects approximately 33 million Americans — and expected to grow as the population ages.[3] We also extended the reach of SANCTURA XR® (trospium chloride extended release capsules), our effective and well-tolerated anticholinergic agent for OAB, into the primary care channel in the United States through our 2009 co-promotion agreement with Quintiles Transnational Corp.

Additionally, in light of consumers wanting and expecting more information and resources to learn about products, we increased our overall investment in DTC advertising by 47% over 2008 to $185 million, covering our principle brands: BOTOX® Cosmetic, LAP-BAND® System, LATISSE®, JUVEDERM® and RESTASIS® (cyclosporine ophthalmic emulsion) 0.05%, the first and currently the only prescription eye drop that helps to increase the eyes' natural ability to produce real tears, which may be suppressed by inflammation due to chronic dry eye. And, across all of our businesses, we maintained our commitment to the education and training of physicians regarding the proper use of our products, and to empowering patients to make the best possible treatment decisions.

(1) World Health Organization. Obesity and Overweight. Fact Sheet No. 311. September 2006. Available at: http://www.who.int/mediacentre/factsheets/fs311/en/print.html. Accessed: February 22, 2010.

(2) MAT Q3 2009. Internal estimates. Mixture of public information (earnings releases, 10Ks, 10Qs), D&B, Allergan internal data, syndicated marketing research reports, analyst reports, internet searches, competitive intelligence, etc.

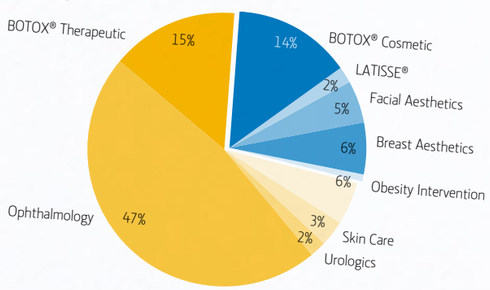
(3) Wein AJ, Rovner ES. Definition and Epidemiology of Overactive Bladder. Urology 2002; 60 (suppl 5A):7-12.

Diversified Business Segments

72% REIMBURSED VS. 28% CASH PAY
(Approximate Estimates)

FY 2009 $4.4 BILLION +3%

28% Cash Pay
72% Reimbursed



WE ARE EXPANDING OUR WORLD.

Allergan has established a leadership presence in more than 100 countries around the world so that we can bring treatment advances developed and established in the United States to new markets, improving patient care with new means. Our continued expansion outside of the United States includes emerging markets with fast-growing economies such as China, Korea, Brazil, India, Russia, the Ukraine and other countries where populations are vast, the need is substantial, and the desire for health and well-being — especially as populations age — is universal.

In Korea, we pursued this goal in 2009 by moving from an all-distributor model to a direct sales and marketing presence in these regions to be closer to our customers in both our core pharmaceuticals and medical aesthetics segments, establishing a joint venture in eye care with our long-term partner. In China, we also established our own direct sales and marketing operation. In India, where we are the No. 1 eye care pharmaceutical company[1] as a result of a successful joint venture established in 1994 , we also expanded our scope by creating direct operations for neurosciences and facial aesthetics. As a result of our focus on emerging markets, Korea was the first country outside of the United States to approve LATISSE®. Also, in 2009, LUMIGAN® 0.01% was approved in Brazil as the second market in the world after Canada. BOTOX® was approved in China for the treatment of glabellar lines. In Russia and the Ukraine, we have filed a complete portfolio of our most up-to-date eye care products and expect approvals soon.

But our global expansion has been driven by more than new product approvals and the innovation behind them. Historically and around the world we've placed a premium on engaging with our customers, patients and consumers in new ways. For our therapeutic businesses, we've placed even greater emphasis on scientific exchange and communicating important safety, efficacy and pharmacoeconomics data to physicians, payors, and other key stakeholders. In medical aesthetics, we've lived up to our role as industry leaders by bringing value-added training and business services in these newly established markets to our customers.

By expanding our treatment portfolios and deepening relationships across national boundaries, health care systems and cultures, we are creating new opportunities to pursue the full potential of our innovation, while offering new options to millions more patients.

(1) Allergan data on file.

More than **70** million people worldwide suffer from glaucoma.*

*International Glaucoma Association. About Glaucoma. Available at: http:www.glaucoma-association.com. Accessed: February 22, 2010.

"I want us to **GO WHERE WE'RE NEEDED,** with the safest and most efficacious treatment options available. Innovation means little if people don't have access to it."

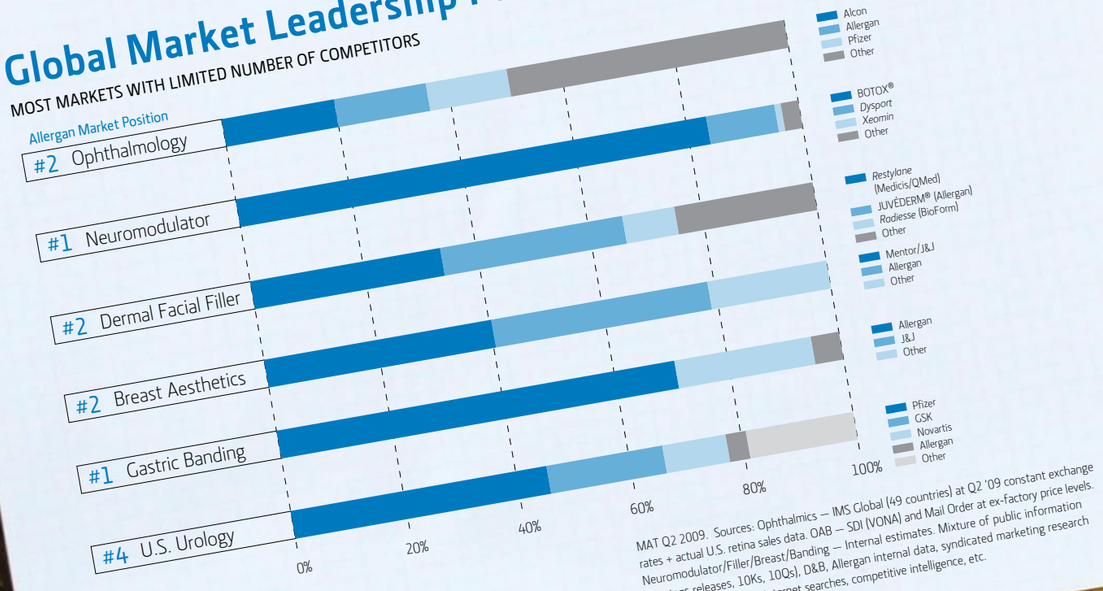
Tom Knox

Vice President, Managed Markets and Government Affairs/U.S.

Married and father of three

Global Market Leadership Positions

MOST MARKETS WITH LIMITED NUMBER OF COMPETITORS



MAT Q2 2009. Sources: Ophthalmics — IMS Global (49 countries) at Q2 '09 constant exchange rates + actual U.S. retina sales data. OAB — SDI (VONA) and Mail Order at ex-factory price levels. Neuromodulator/Filler/Breast/Banding — Internal estimates. Mixture of public information (earnings releases, 10Ks, 10Qs), D&B, Allergan internal data, syndicated marketing research reports, analyst reports, internet searches, competitive intelligence, etc.

Geographic Presence*

	MARKET POSITION	INVESTMENTS
CHINA →	#7 Ophthalmology Neuromodulator (GSK) Breast Reconstruction & Augmentation (Distributor) Obesity Intervention (Distributor)	Direct Ophthalmology sales (2009) Direct Facial Aesthetics sales (2010)
KOREA →	#2 Ophthalmology #1 Neuromodulators #2 Facial Aesthetics #2 Breast Reconstruction & Augmentation Obesity Intervention (Distributor)	Ophthalmology joint venture (2009) Direct Neuromodulator sales (2009) Direct Facial Aesthetics sales (2009) Direct Breast Reconstruction & Augmentation sales (2009) Creation of Facial Aesthetics sales force (2009)
BRAZIL →	#2 Ophthalmology #1 Neuromodulators #1 Facial Aesthetics #4 Breast Reconstruction & Augmentation #1 Obesity Intervention (Banding)	Creation of Plastic Surgery sales force Ophthalmology sales force addition
INDIA →	#1 Ophthalmology #1 Neuromodulators Facial Aesthetics (Launched Q3 '09) Breast Reconstruction & Augmentation (Distributor) Obesity Intervention (Distributor)	Ophthalmology joint venture Direct Neurosciences sales Direct Facial Aesthetics sales (2009)

*Market Position data are Allergan's good faith estimates based upon the best available sources of data such as IMS, as well as Allergan's internal estimates for 2009.

Strong R&D Pipeline

PRODUCT	INDICATION	EXPECTED APPROVAL
OPHTHALMOLOGY		
LUMIGAN® 0.01%	Glaucoma	2010
OZURDEX™	Uveitis	2010
OZURDEX™	Diabetic Macular Edema	2012+
ZYMAR® X	Anti-infection	2010
RESTASIS® X	Ocular Surface Disease	2012+
IOP Lowering (EP Agonist)	Glaucoma	2012+
IOP Lowering (Sustained-Release)	Glaucoma	2012+
NOVADUR™ (brimonidine)	Retinal Disease	2012+
Androgen Tear	Ocular Surface Disease	2012+
TKI	Age-Related Macular Degeneration	2012+
NEUROLOGY		
BOTOX®	Adult Spasticity	2010
BOTOX®	Chronic Migraine	2010
BOTOX®	Juvenile Cerebral Palsy	2012+
Targeted BOTOX® (Next Generation)	Pain	2012+
UROLOGY		
BOTOX®	Overactive Bladder (Neurogenic)	2011
BOTOX®	Overactive Bladder (Idiopathic)	2012+
BOTOX®	Benign Prostatic Hyperplasia	2012+
Apaziquone	Bladder Cancer	2012+
MEDICAL DEVICE (Aesthetics/Health)		
Silicone Breast — Style 410 Cohesive Gel	Breast Reconstruction & Augmentation	2010
LAP-BAND®	Adolescent Obesity	2010
LAP-BAND®	Lower Body Mass Index (BMI)	2011
ORBERA™ (U.S.)	Obesity	2012+
EASYBAND™ (U.S.)	Obesity	2012+
VOLUMA™ (U.S.)	Facial Aesthetics	2012+

board of directors

DAVID E.I. PYOTT, 56

Chairman of the Board and Chief Executive Officer

Elected to the Board and joined Allergan 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 director of Edwards Lifesciences Corporation as well as Avery Dennison Corporation, where he also serves as the lead director. Mr. Pyott also 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 serves on the board, Executive Committee and as Chairman of the International Affairs Committee of the Biotechnology Industry Organization. Mr. Pyott is a member of the board of the Pan-American Ophthalmological Foundation, the International Council of Ophthalmology Foundation, and is a member of the Advisory Board for the Foundation of The American Academy of Ophthalmology. Mr. Pyott also serves on the Board of Trustees of Chapman University.

HERBERT W. BOYER, Ph.D., 73

Vice Chairman of the Board since 2001. Dr. Boyer served as Chairman from 1998 to 2001 and has been a Board member since 1994. Dr. Boyer is a founder of Genentech, Inc. and served as a director of Genentech from 1976 to 2009 when Genentech was acquired by the Roche Group. 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 & Sciences.

DEBORAH DUNSIRE, M.D., 47

Appointed to the Board in 2006. Dr. Dunsire has served as President and Chief Executive Officer of Millennium Pharmaceuticals, Inc., now Millennium: The Takeda Oncology Company, since July 2005. Prior to joining Millennium, Dr. Dunsire led the Novartis U.S. Oncology Business, playing a critical role in the broad development and successful launch of a number of products. Dr. Dunsire was also responsible for managing the merger and significant growth of the combined Sandoz Pharmaceuticals and Ciba-Geigy oncology businesses. Dr. Dunsire served on the U.S. Pharmaceutical Executive Committee at Novartis. Dr. Dunsire is currently a board member of the Biotechnology Industry Organization. Dr. Dunsire was the 2001 recipient of the American Cancer Society's Excalibur Award and is the 2009 recipient of The Healthcare Businesswomen's Association's "Woman of the Year."

MICHAEL R. GALLAGHER, 64

Elected to the Board in 1998. In 2004, Mr. Gallagher retired as Chief Executive Officer and as 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; President of the Lehn & Fink Consumer Products Division at Sterling Drug, General Manager of the Household Products Division of the Clorox Company, and Brand Manager of The Procter & Gamble Company. Mr. Gallagher is Chairman of the Board of Advisors of the Haas School of Business, University of California, Berkeley.

GAVIN S. HERBERT, 77

Founder of Allergan and Chairman Emeritus since 1996. Mr. Herbert was elected to the Board in 1950. He 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. Mr. Herbert also serves on the board of the Doheny Eye Institute and of The Richard Nixon Library and Birthplace Foundation and the Advisory Board for the Foundation of the American Academy of Ophthalmology. Mr. Herbert is Chairman of Roger's Gardens, Vice Chairman of the Beckman Foundation, and a Life Trustee of the University of Southern California.

DAWN HUDSON, 52

Appointed to the Board in 2008. In March 2009, Ms. Hudson became Vice Chairman of the Parthenon Group, an advisory firm focused on strategy consulting. Prior to that, Ms. Hudson served as President and Chief Executive Officer of Pepsi-Cola North America (PCNA), the multi-billion dollar refreshment beverage unit of PepsiCo in the United States and Canada from March 2005 until November 2007. From May 2002 to March 2005, Ms. Hudson served as President of PCNA. In addition, Ms. Hudson served as Chief Executive Officer of the PepsiCo Foodservice Division from March 2005 to November 2007. Prior to joining PepsiCo, Ms. Hudson was Managing Director at D'Arcy Masius Benton & Bowles, a leading advertising agency based in New York. In 2006 and 2007, Ms. Hudson was named among *Fortune Magazine*'s "50 Most Powerful Women in Business." In 2002, Ms. Hudson received the honor of "Advertising Woman of the Year" by Advertising Women of New York. Ms. Hudson was also inducted into the American Advertising Federation's Advertising Hall of Achievement, and has been featured twice in *Advertising Age*'s "Top 50 Marketers." Ms. Hudson is Chairperson of the Board of the Ladies Professional Golf Association and is a director of Lowe's Companies, Inc. and P.F. Chang's China Bistro, Inc.

ROBERT A. INGRAM, 67

Appointed to the Board in 2005. Mr. Ingram is currently a General Partner of Hatteras Venture Partners, a venture capital firm focused on early stage life science companies. Mr. Ingram has also served as a strategic advisor to the Chief Executive Officer of GlaxoSmithKline plc since January 2010 and previously served as the Vice Chairman Pharmaceuticals since January 2003. Mr. Ingram was 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 Chairman of the Board of OSI Pharmaceuticals, Inc., lead director of Valeant Pharmaceuticals International, and is a director of Edwards Lifesciences Corporation, Lowe's Companies, Inc., and Cree, Inc.

TREVOR M. JONES, Ph.D., 67

Appointed to the Board in 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. 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 Commander of the British Empire. Prof. Jones is also a Fellow of the Royal Society of Chemistry, a Fellow of the Royal Society of Medicine, a Fellow of The Royal Pharmaceutical Society, 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 Synexus Ltd, and a board member of Merlin Biosciences Fund II and NextPharma Technologies Holdings Ltd., Sigma-Tau Finanziaria S.p.A. and its subsidiary Sigma-Tau Industrie Farmaceutiche Riunite S.p.A, Tecnogen S.p.A, Verona Pharma plc and SciClone Pharmaceuticals, Inc. Prof. Jones is also a founder of the Geneva-based public-private partnership, Medicines for Malaria Venture and the UK Stem Cell Foundation.

LOUIS J. LAVIGNE, JR., 61

Appointed to the Board in 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 overseeing the financial, 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 serves on the board of BMC Software, Inc. and Accuray Incorporated. Mr. Lavigne is a faculty member of the Babson College Executive Education's Bio-Pharma: Mastering the Business of Science program. Mr. Lavigne is a member of the Pacific Southwest Audit Committee Chair Network. Mr. Lavigne is also a trustee of the California Institute of Technology and the Seven Hills School.

RUSSELL T. RAY, 62

Elected to the Board in 2003. Mr. Ray is a 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 Banking Group, where he focused on providing strategic and financial advice to life sciences, health care services and medical device companies from 1999 to 2002. Prior to joining Credit Suisse First Boston in 1999, 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 InfoMedics, Inc., Phreesia, Inc., SW/P Media, Inc., and Socios Mayores en Salud.

STEPHEN J. RYAN, M.D., 69

Elected to 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 until 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 including the Association of University Professors of Ophthalmology. Dr. Ryan is the founding President of the National Alliance for Eye and Vision Research. Dr. Ryan is a member and director of the W.M. Keck Foundation and is a member of the Arnold and Mabel Beckman Foundation.

LEONARD D. SCHAEFFER, 64

Elected to the Board in 1993. Mr. Schaeffer has served as Senior Advisor to TPG, a private equity firm, since 2005. 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 Blue Shield of Georgia, Blue Cross and Blue Shield of Missouri, Blue Cross 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, now Centers for Medicare & Medicaid Services, from 1978 to 1980. Mr. Schaeffer is Chairman of the Board of Surgical Care Affiliates, Inc. and is a member of the Board of Directors of Amgen, Inc., Quintiles Transnational Corp., the Advisory Board of the National Institute for Health Care Management, the Board of Fellows at Harvard Medical School and is a member of the Institute of Medicine. In 2008, Mr. Schaeffer was named a Judge Widney Professor and Chair at the University of Southern California.

PICTURED FROM LEFT TO RIGHT
TOP ROW Stephen J. Ryan, M.D., Dawn Hudson, Michael R. Gallagher, Louis J. Lavigne, Jr., Gavin S. Herbert, Robert A. Ingram, Herbert W. Boyer, Ph.D.
BOTTOM ROW Russell T. Ray, Leonard D. Schaeffer, Trevor M. Jones, Ph.D., Deborah Dunsire, M.D., David E.I. Pyott

executive committee

DAVID E.I. PYOTT, 56

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 26 years of international experience in nutrition and health care and has worked in Austria, Germany, the Netherlands, Spain, Switzerland, Malaysia, Singapore, and the United Kingdom. Mr. Pyott holds a diploma in European and International 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. He also has been honored in the Queen's Birthday Honors List in 2006 and holds the title of Commander of the British Empire.

F. MICHAEL BALL, 54

President

Mr. Ball has been 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, Inc., where he served on Syntex Corporation's Management Committee. Mr. Ball has more than 28 years of international health care experience in the marketing and sale of pharmaceutical products.

RAYMOND H. DIRADOORIAN, 52

Executive Vice President, Global Technical Operations

Mr. Diradoorian has been 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, 49

Executive Vice President, Finance and Business Development, Chief Financial Officer

Mr. Edwards has been Executive Vice President, Finance and Business Development, Chief Financial Officer, since September 2005. Mr. Edwards joined Allergan in 1993. From March 2003 to September 2005, 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, ESQ., 47

Executive Vice President, Chief Administrative Officer, Secretary and Chief Ethics Officer

Mr. Ingram has been Executive Vice President, Chief Administrative Officer, Secretary and Chief Ethics Officer since October 2006. Mr. Ingram also served as General Counsel from January 2001 to June 2009, and from October 2003 to October 2006, Mr. Ingram served as Executive Vice President, General Counsel, Secretary and Chief Ethics Officer. Mr. Ingram joined Allergan from Gibson, Dunn & Crutcher LLP in 1996. Mr. Ingram has more than 21 years of experience in the management of domestic and international legal affairs. Mr. Ingram manages Allergan's Global Legal Affairs, Global Regulatory Affairs, Compliance and Internal Audit, Corporate Communications, Global Trade Compliance and Information Technology 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., 50

Executive Vice President, Research and Development, Chief Scientific Officer

Dr. Whitcup has been Executive Vice President, Research and Development since July 2004 and in April 2009 became Chief Scientific Officer. 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 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.

OTHER EXECUTIVE OFFICER

JAMES F. BARLOW (NOT PICTURED)

Senior Vice President, Corporate Controller (Principal Accounting Officer)

PICTURED FROM LEFT TO RIGHT
David E.I. Pyott, F. Michael Ball, Raymond H. Diradoorian, Jeffrey L. Edwards, Douglas S. Ingram, Esq., Scott M. Whitcup, M.D.

CORPORATE OVERVIEW AND STOCKHOLDERS' INFORMATION

CORPORATE HEADQUARTERS

Allergan, Inc.
2525 Dupont Drive
Irvine, CA 92612-1599
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Internet: www.allergan.com

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

Wells Fargo Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0874
(800) 468-9716

Hearing Impaired # TDD:
(651) 450-4144

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Allergan, Inc. will be held at the Hyatt Regency Irvine, 17900 Jamboree Road, Irvine, CA 92614, on April 29, 2010, at 10:00 a.m. Pacific 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

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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.

	2009			2008		
Calendar Quarter	Low	High	Div	Low	High	Div
First	$35.41	$50.89	$0.05	$53.51	$70.40	$0.05
Second	43.01	50.00	0.05	51.00	60.29	0.05
Third	44.78	58.84	0.05	50.01	61.72	0.05
Fourth	53.32	64.08	0.05	28.95	52.78	0.05

Allergan common stock is listed on the New York Stock Exchange and is traded under the symbol "AGN." The approximate number of stockholders of record was 5,374 as of February 17, 2010.

TRADEMARKS

Allergan, for the year ending December 31, 2009, continued its proud tradition of placement in the top quartile for environmental health and safety performance within its pharmaceutical company peer group. More information on its 2009 performance worldwide can be found by visiting the "Responsibility" section on Allergan's corporate Web site at www.allergan.com and selecting the "Environmental Health and Safety Information" page.

Cover and editorial sections of this annual report are printed on recycled paper.

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ALLERGAN

Our pursuit. Life's potential.®

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