



## Allergan, Inc. Backgrounder

With approx. 60 years of experience providing high-quality, science-based products, Allergan, Inc., with headquarters in Irvine, California, discovers, develops and commercializes products in the ophthalmology, neurosciences, medical dermatology, medical aesthetics, obesity intervention, urologics and other specialty markets that deliver value to its customers, satisfy unmet medical needs, and improve patients' lives. In addition to its discovery-to-development research programs, Allergan has global marketing and sales capabilities, with a presence in more than 100 countries. The company employs approximately 7,000 people worldwide and operates world-class research and development (R&D) facilities and several state-of-the-art manufacturing plants.

Allergan is uniquely positioned in the pharmaceutical and medical device industry, in large part due to its strong franchises in high-growth specialty markets. The company, spearheaded by CEO and Chairman of the Board David E. I. Pyott, has a track record of combining strong science with business acumen to anticipate and respond to market need. Allergan has been described as entrepreneurial and fast-moving with one of the best-rated CEOs in America.<sup>1</sup> In addition, the company has earned distinction as "the most admired specialty pharmaceutical company."<sup>2</sup> Pharmaceutical sales in 2006 totaled \$3.0 billion, a 30% increase over 2005, and were driven by the company's diverse product portfolio, which includes products such as BOTOX<sup>®</sup> and BOTOX<sup>®</sup> Cosmetic (botulinum toxin type A), RESTASIS<sup>®</sup> (cyclosporine ophthalmic emulsion) 0.05%, REFRESH<sup>®</sup>, and LUMIGAN<sup>®</sup> (bimatoprost ophthalmic solution) 0.03%.

### Allergan Medical

In March of 2006, the company completed the acquisition of Inamed Corporation, which added breast aesthetics, dermal fillers and obesity intervention products to Allergan's business portfolio, expanded Allergan's global position as a premier specialty pharmaceutical and medical device company in high-growth markets and created the No. 1 medical aesthetics franchise worldwide. Following the integration of Inamed's commercial and R&D operations, Allergan established Allergan Medical, a division of Allergan, Inc.

In 2007, Allergan acquired Groupe Cornéal Laboratoires in order to secure global marketing rights to JUVÉDERM<sup>™</sup> and other next generation hyaluronic acid dermal fillers. Also in 2007, Allergan acquired EndoArt SA which has developed a next-generation, telemetrically-adjustable gastric banding device, EASYBAND<sup>®</sup> Remote Adjustable Gastric Band System, for the treatment of morbid obesity.

As a result, Allergan Medical offers the most comprehensive, science-based, aesthetic product offerings under its Total Facial Rejuvenation<sup>™</sup> portfolio, including BOTOX<sup>®</sup> Cosmetic; the JUVÉDERM<sup>™</sup> family of hyaluronic acid dermal fillers; collagen-based dermal fillers; and physician-dispensed skin care products. Allergan Medical also offers the industry's widest range of silicone- and saline-filled breast implant options, under its NATRELLE<sup>™</sup> Collection, for reconstructive and aesthetic breast surgery; and leading minimally invasive devices, such as the LAP-BAND<sup>®</sup> System for obesity intervention treatment.

Specifically, the 2006 approval of Allergan's NATRELLE<sup>™</sup> silicone breast implants by Health Canada and the U.S. Food and Drug Administration, the launch of JUVÉDERM<sup>™</sup> coupled with Allergan's

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

<sup>2</sup> *Med Ad News*. Annual poll "Top 10 Most admired Specialty Pharma Companies", Allergan was named #1, October 2004.



acquisition of Corneal, and the consistent growth of BOTOX<sup>®</sup> Cosmetic have all positioned Allergan Medical as a global leader in the rapidly growing aesthetic marketplace, where it continues to lead the way in scientific innovation.

### **Ophthalmology**

Built upon a nearly 60-year heritage in eye care and with expertise in discovering and developing new therapeutic agents for conditions and diseases of the eye, Allergan is a global leader in eye care with the largest ophthalmic sales force in the world (excluding Japan). Allergan's eye care business continues to grow, and for the last six years Allergan has been the fastest-growing global ophthalmology company excluding retinal therapeutics<sup>3</sup> and is today the second largest ophthalmic company worldwide. Allergan's breakthrough RESTASIS<sup>®</sup> pioneered a whole new market as the first and only prescription eye drop approved by the U.S. FDA to help increase tear production in cases where it may be reduced by inflammation due to chronic dry eye. Allergan's LUMIGAN<sup>®</sup> is one of the most potent drugs to lower intraocular pressure, the leading and only treatable risk factor for glaucoma, and has become the third largest glaucoma drug worldwide by sales.<sup>4</sup>

### **Neurosciences**

Originally used in the treatment of certain ophthalmic movement disorders, BOTOX<sup>®</sup> is the foundation for Allergan's global leadership position in neuromodulator therapy. It continues to demonstrate versatility based on more than 17 years of successful clinical experience in therapeutic and aesthetic applications. Initially approved for only limited indications, BOTOX<sup>®</sup> has become a blockbuster franchise and is now approved for 20 different indications in more than 75 countries.

### **Medical Dermatology**

Because of Allergan's deep expertise in retinoids and alpha hydroxy acids, Allergan is a leading company in the medical dermatology sector. TAZORAC<sup>®</sup> (tazarotene gel and cream) 0.05% and 0.1% was the first product fully developed by Allergan from "molecule to market." This product portfolio also includes BOTOX<sup>®</sup> for severe primary axillary hyperhidrosis (severe underarm sweating), which often goes undiagnosed, misdiagnosed and untreated due to lack of awareness on the part of patients and physicians alike.

### **Urologics**

Following Allergan's acquisition of Esprit Pharma, Inc. in September 2007, the company has established a new urologics division which offers urologists and their patients the SANCTURA<sup>®</sup> franchise of products for the treatment of overactive bladder (OAB), including the recently FDA-approved SANCTURA<sup>®</sup> XR, which has shown to be effective while significantly reducing typical side effects such as dry mouth associated with many OAB medications. To develop a treatment portfolio that addresses the continuum of care for OAB and other urologic disorders, Allergan is presently conducting Phase II and III clinical trials investigating the use of BOTOX<sup>®</sup>, for the treatment of idiopathic and neurogenic OAB.

### **R&D Efforts**

In 2006, Allergan invested \$476 million<sup>5</sup>, which marked an increase of 22 percent over 2005, into R&D, and estimates expenditure of \$630 million in 2007. Allergan's powerful R&D program

<sup>3</sup> Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2006, in constant exchange, for the trailing 12 months, as of September 2006

<sup>4</sup> Intercontinental Medical Statistics (IMS): (from ~48 countries), Q3 2006, in constant exchange, for the trailing 12 months, as of September 2006

<sup>5</sup> Adjustments to GAAP research and development expense used to calculate research and development expense, adjusted for non-GAAP items, include \$579.3 million of in-process research and development expense, \$0.2 million of integration and transition costs related to the Inamed acquisition and \$0.5 million of transition/duplicate operating expenses related to the restructuring and streamlining of European operations. GAAP research and development expense was \$1,055.5 million in 2006, a 171.8% increase over 2005.



strengthens its leadership and enables the company to meet unmet medical needs in established and emerging markets, including ophthalmology, neurosciences, medical dermatology, medical aesthetics, urology, gastroenterology and other high-growth specialty areas.

Over the next two years, Allergan is aggressively investing in its ophthalmology pipeline in anticipation of major product approvals in 2007 and beyond. A major strategic focus for Allergan is on back-of-the-eye diseases such as macular edema, diabetic retinopathy and age-related macular degeneration – diseases that unfortunately cause sight loss in thousands of patients each year and whose prevalence is increasing as the population ages. Allergan is also currently supporting the world's largest and most expensive Phase III clinical trial for the treatment of glaucoma. Allergan is investigating the use of an oral compound to relieve the pressure on the back of the eye (similar to the way anti-hypertensive products work to reduce high blood pressure).

Furthermore, Allergan is moving forward with major Phase III studies of BOTOX<sup>®</sup> in the treatment of chronic migraine and is continuing to conduct Phase II studies in post-stroke spasticity in the United States. Also in development are neuromodulators (e.g., "next-generation" BOTOX<sup>®</sup>) with more selective action for pain management and spasticity treatment

Other early stage innovative technologies include a family of alpha agonists for neuropathic pain.

**More information about Allergan is available on the company's Web site, [www.allergan.com](http://www.allergan.com).**

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