

Material U.S. Federal Income Tax Consequences

The following discussion is the opinion of Gibson, Dunn & Crutcher LLP, tax counsel to Allergan, as to the material U.S. federal income tax consequences of the Offer, Inamed Merger, and the Post-Closing Merger to Inamed stockholders. This discussion is based on the Code, the related Treasury regulations, administrative interpretations and court decisions, all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and the conclusions discussed below and the tax consequences of the Offer, Inamed Merger, and the Post-Closing Merger. This discussion applies only to Inamed stockholders that hold their shares of Inamed common stock, and will hold any shares of Allergan common stock received in exchange for their shares of Inamed common stock, as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all federal income tax consequences of the Offer, Inamed Merger, and Post-Closing Merger that may be relevant to particular holders, including holders that are subject to special tax rules. Some examples of holders that are subject to special tax rules are: dealers in securities; financial institutions; insurance companies; tax-exempt organizations; holders of shares of Inamed stock as part of a position in a “straddle” or as part of a “hedging” or “conversion” transaction; holders who have a “functional currency” other than the U.S. dollar; holders who are foreign persons; holders who own their shares indirectly through partnerships, trusts or other entities that may be subject to special treatment; and holders who acquired their shares of Inamed common stock through stock option or stock purchase programs or otherwise as compensation.

In addition, this discussion does not address any consequences arising under the laws of any state, local or foreign jurisdiction. INAMED STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO SPECIFIC TAX CONSEQUENCES TO THEM OF THE OFFER, THE INAMED MERGER, AND THE POST-CLOSING MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF CHANGES IN APPLICABLE TAX LAWS.

Treatment of the Offer, the Inamed Merger, and the Post-Closing Merger as a Reorganization

In the opinion of Gibson, Dunn & Crutcher LLP, the Offer, the Inamed Merger, and the Post-Closing Merger will be treated as a single integrated transaction that qualifies as a reorganization within the meaning of Section 368(a) of the Code. This opinion of counsel is given in reliance on customary representations and assumptions as to certain factual matters, including the following: (i) the Offer, the Inamed Merger, and the Post-Closing Merger will take place in accordance with all of the terms and conditions of the Offer, the Inamed Merger, and the Post-Closing Merger as described in this prospectus without the waiver or modification of any of those terms or conditions, (ii) none of Allergan, Inamed, or any related party acquires or redeems, in connection with the Offer or the Inamed Merger, shares of Allergan common stock issued to Inamed stockholders pursuant to the Offer or the Inamed Merger (other than pursuant to an open market stock repurchase program), (iii) after the Offer, the Inamed Merger, and the Post-Closing Merger, Allergan’s wholly-owned LLC will continue Inamed’s historic business (other than the Reloxin business) or will use a significant portion of the Inamed’s historic business assets in a business, and (iv) the description of Inamed’s business operations set forth in its SEC filings is accurate in all material respects and there will be no material changes in such operations prior to the closing of the Inamed Merger.

Allergan does not intend to obtain a ruling from the Internal Revenue Service with respect to the federal income tax consequences of the Offer and the Inamed Merger. The opinion of counsel will not bind the courts or the Internal Revenue Service, nor will they preclude the Internal Revenue Service from adopting a position contrary to those expressed in the opinion. No assurance can be given that contrary positions will not successfully be asserted by the Internal Revenue Service or adopted by a court if the issues are litigated. In addition, the opinion of counsel is being delivered prior to the consummation of the proposed transaction and therefore is prospective and dependent on future events. No assurance can be given that future legislative, judicial or administrative changes, on either a prospective or retroactive basis, or future factual developments, would not adversely affect the accuracy of the conclusion stated herein. The following are the material federal income tax consequences to Inamed stockholders who, consistent with the opinion of counsel referred to above, receive their shares of Allergan common stock and/or cash pursuant to a transaction constituting a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

The U.S. federal income tax consequences of the Offer, the Inamed Merger, and Post-Closing Merger to each Inamed stockholder will vary depending on whether the Inamed stockholder receives cash, Allergan common stock, or a combination of cash and Allergan common stock in exchange for the stockholder's shares of Inamed common stock. At the time that an Inamed stockholder makes an election to receive cash or stock, the stockholder will not know if, and to what extent, the proration procedures will alter the mix of consideration to be received. As a result, the tax consequences to each stockholder will not be ascertainable with certainty until the stockholder knows the amount of cash and /or stock that will be received as a result of the Offer and /or the Inamed Merger.

Consequences to Inamed Stockholders

Holders who Exchange Inamed Shares Solely for Cash

Holders of Inamed Shares who exchange all their Inamed Shares solely for cash in the Offer or the Inamed Merger will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis for the Inamed Shares exchanged. The amount and character of gain or loss will be computed separately for each block of Inamed Shares that was purchased by the holder in the same transaction. Any recognized gain or loss will be capital gain or loss and any such capital gain or loss will be long term if, as of the date of sale or exchange, such stockholder has held the Inamed Shares for more than one year or will be short term if, as of such date, such stockholder has held the Inamed Shares for one year or less.

Holders who Exchange Inamed Shares Solely for Allergan Common Stock

Holders of Inamed Shares who exchange all of their Inamed Shares solely for shares of Allergan common stock in the Offer and/or the Inamed Merger will not recognize gain or loss for United States federal income tax purposes, except with respect to cash, if any, they receive in lieu of a fractional share of Allergan common stock. Each holder's aggregate tax basis in the Allergan common stock received in the Offer and/or the Inamed Merger will be the same as his or her aggregate tax basis in the Inamed Shares surrendered in the transaction, decreased by the amount of any tax basis allocable to any fractional share interest for which cash is received. The holding period of the Allergan common stock received in the Offer and/or the Inamed Merger by a holder of Inamed Shares will include the holding period of the Inamed Shares that he or she surrendered. If an Inamed stockholder has differing tax bases and/or holding periods in respect of the stockholder's Inamed Shares, the stockholder should consult with a tax advisor in order to identify the tax bases and/or holding periods of the particular shares of Allergan common stock that the stockholder receives.

Holders who Exchange Inamed Shares for Allergan Common Stock and Cash

Inamed stockholders who exchange Inamed Shares for a combination of Allergan common stock and cash pursuant to the Offer and/or the Inamed Merger will recognize gain, but not loss, in the exchange. The gain, if any, recognized will equal the lesser of (a) the amount of cash received in the transaction and (b) the amount of gain realized in the transaction. The amount of gain that is realized in the exchange will equal the excess of (i) the sum of the cash plus the fair market value of the Allergan common stock received in the exchange over (ii) the tax basis of the Inamed Shares surrendered in the transaction. For this purpose, an Inamed stockholder must calculate gain or loss separately for each identifiable block of Inamed Shares that such stockholder surrenders pursuant to the transaction, and an Inamed stockholder cannot offset a loss realized on one block of such shares against a gain recognized on another block of such shares. Any gain recognized generally will be treated as capital gain, except that the stockholder's gain could be treated as a dividend if the receipt of the cash has the effect of the distribution of a dividend for United States federal income tax purposes (under Sections 302 and 356 of the Code). The aggregate tax basis in the Allergan common stock received pursuant to the Offer and/or the Inamed Merger (including the basis in any fractional share for which cash is received) will be equal to the aggregate tax basis in the Inamed Shares surrendered in the transactions, decreased by the amount of cash received and increased by the amount of gain, if any, recognized or any amount treated as a dividend. The holding period of the Allergan common stock received in the Offer and/or the Inamed Merger by a holder of Inamed Shares will include the holding period of the Inamed Shares that he or she surrendered in exchange therefor. Cash received and gain realized in connection with the receipt of cash in lieu of a fractional share of Allergan common stock are not taken into account in making the computations of gain realized or recognized and basis in the shares

received. Rather, such cash and gain are treated as described below. If an Inamed stockholder has differing tax bases and/or holding periods in respect of the stockholder's Inamed Shares, the stockholder should consult with a tax advisor in order to identify the tax bases and/or holding periods of the particular shares of Allergan common stock that the stockholder receives.

The Receipt of Cash in Lieu of a Fractional Share

A holder of Inamed Shares who receives cash in lieu of a fractional share of Allergan common stock will generally recognize gain or loss equal to the difference between the amount of cash received and his or her tax basis in the Allergan common stock that is allocable to the fractional share. That gain or loss generally will constitute capital gain or loss.

Consequences to Allergan and Inamed

Neither Allergan nor Inamed will recognize gain or loss as a result of the Offer, Inamed Merger, and the Post-Closing Merger, except for any gain that might arise if Allergan pays cash or property to Inamed in connection with these transactions and such cash or property is not distributed to Inamed shareholders. Allergan does not expect any such gain to be material.

Information Reporting and Backup Withholding

Certain U.S. holders may be subject to information reporting with respect to the cash received in exchange for Inamed Shares, including cash received instead of a fractional share interest in shares of Allergan common stock. U.S. holders who are subject to information reporting and who do not provide appropriate information when requested may also be subject to backup withholding. Any amount withheld under such rules is not an additional tax and may be refunded or credited against such U.S. holders' federal income tax liability, provided that the required information is properly furnished in a timely manner to the Internal Revenue Service.