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***THIS ANNOUNCEMENT IS BEING MADE PURSUANT TO RULE 2.5 OF THE IRISH TAKEOVER RULES FOR IMMEDIATE RELEASE***

### **AbbVie to Acquire Allergan in Transformative Move for Both Companies**

- Provides immediate scale and profitability to AbbVie's growth platform, excluding Humira, significantly expanding and diversifying its revenue base with new therapeutic areas, including Allergan's leading medical aesthetic business
- Enhances long-term R&D funding capacity, allowing for continued investment and sustained focus on innovative science and advancement of an industry-leading pipeline
- Increases global commercial scale to further maximize the value of Allergan's attractive portfolio of fast-growing products
- Combined company will produce robust cash flow to support continued dividend growth, further investment in the pipeline and reduction of debt levels
- Transaction delivers significant and immediate accretion and provides an attractive return on invested capital
- Creates substantial value for shareholders of both companies and is expected to close in early 2020
- Allergan Shareholders will receive 0.8660 AbbVie Shares and \$120.30 in cash for each Allergan Share, for a total consideration of \$188.24 per Allergan Share
- Transaction equity value of approximately \$63 billion

**NORTH CHICAGO, ILL. & DUBLIN, IRELAND**– AbbVie Inc. (NYSE: ABBV) and Allergan plc (NYSE: AGN) announced that the companies have entered into a definitive transaction agreement under which AbbVie will acquire Allergan in a cash and stock transaction for a transaction equity value of approximately \$63 billion, based on the closing price of AbbVie's common stock of \$78.45 on June 24, 2019.

"This is a transformational transaction for both companies and achieves unique and complementary strategic objectives," said Richard A. Gonzalez, chairman and chief executive officer, AbbVie. "The combination of AbbVie and Allergan increases our ability to continue to deliver on our mission to patients and shareholders. With our enhanced growth platform to fuel industry-leading growth, this strategy allows us to diversify AbbVie's business while sustaining our focus on innovative science and the advancement of our industry-leading pipeline well into the future."

"This acquisition creates compelling value for Allergan's stakeholders, including our customers, patients and shareholders. With 2019 annual combined revenue of approximately \$48 billion, scale in more than 175 countries, an industry-leading R&D pipeline and robust cash flows, our combined company will have the opportunity to make even bigger contributions to global health than either can alone," said Brent Saunders, chairman and chief executive officer, Allergan. "Our fast-growing therapeutic areas, including our world class medical aesthetics, eye care, CNS and gastrointestinal businesses, will enhance AbbVie's strong growth platform and create substantial value for shareholders of both companies."

### **Strategic Rationale**

- **New growth platforms and leadership positions to diversify and expand revenue base:**  
The combined company will consist of several attractive franchises with leadership positions across immunology, hematologic oncology, medical aesthetics, neuroscience, women's health, eye care and virology. Allergan's product portfolio will be enhanced by AbbVie's commercial strength, expertise and international infrastructure.

- **Immediate scale and enhanced profitability for AbbVie’s growth platform:** AbbVie’s enhanced growth platform, comprised of growing and durable franchises across highly-attractive therapeutic areas, is expected to grow at a high-single digit annual growth rate well into the next decade, from more than \$30 billion in 2020.
- **Financially attractive with immediate EPS accretion:** This transaction is expected to be 10% accretive to adjusted earnings per share over the first full year following the close of the transaction, with peak accretion of greater than 20%.<sup>1</sup> ROIC is expected to exceed AbbVie’s cost of capital within the first full year.
- **Significant cash flow generation:** The success and scale of the combined commercial business ensures funding capacity and flexibility for simultaneous robust pipeline investment, debt reduction and capital return to shareholders. The combined companies generated \$19 billion in operating cash flow in 2018.

## Structure and Governance

Upon completion of the transaction, AbbVie will continue to be incorporated in Delaware as AbbVie Inc. and have its principal executive offices in North Chicago, Ill. AbbVie will continue to be led by Richard A. Gonzalez as chairman and chief executive officer. Two members of Allergan’s Board, including chairman and chief executive officer, Brent Saunders, will join AbbVie’s Board upon completion of the transaction.

## Transaction Details

Under the terms of the Transaction Agreement, Allergan Shareholders will receive 0.8660 AbbVie Shares and \$120.30 in cash for each Allergan Share that they hold, for a total consideration of \$188.24 per Allergan Share.<sup>2</sup> The transaction represents a 45% premium to the closing price of Allergan’s Shares on June 24, 2019.

AbbVie anticipates that the Acquisition will provide annual pre-tax synergies and other cost reductions of at least \$2 billion in year three while leaving investments in key growth franchises untouched. The synergies and other cost reductions will be a result of optimizing the research and early stage portfolio, and reducing overlapping R&D resources (~50%), driving efficiencies in SG&A, including sales and marketing and central support function costs (~40%), and eliminating redundancies in manufacturing and supply chain, and leveraging procurement spend (~10%). The synergies estimate excludes any potential revenue synergies.<sup>3</sup>

AbbVie is expected to generate significant annual operating cash flow, which will support a debt reduction target of \$15 to \$18 billion before the end of 2021, while also enabling a continued commitment to Baa2/BBB or better credit rating and continued dividend growth.

It is expected that, immediately after the closing of the Acquisition, AbbVie Shareholders will own approximately 83% of AbbVie on a fully diluted basis and the Allergan Shareholders will own approximately 17% of AbbVie on a fully diluted basis.

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<sup>1</sup> The statement that this transaction is earnings accretive should not be interpreted to mean that the earnings per share in the current or any future financial period will necessarily match or be greater than those for the relevant preceding financial period.

<sup>2</sup> Subject to adjustment in accordance with the Exchange Ratio Modification Number.

<sup>3</sup> There are various material assumptions underlying the synergies and other cost reductions which may result in the synergies and other cost reductions being materially greater or less than estimated. The estimates should therefore be read in conjunction with the bases and assumptions for these synergy numbers which are set out in Appendix I of this announcement. The synergies and other cost reductions have been reported on in accordance with Rule 19.3(b) of the Irish Takeover Rules by (i) PricewaterhouseCoopers LLP and (ii) Morgan Stanley & Co. International plc. Copies of their respective reports are included in Appendix IV and Appendix V to this announcement. Each of PricewaterhouseCoopers LLP and Morgan Stanley & Co. International plc has given and not withdrawn its consent to the issue of this announcement with the inclusion of its report and context in which it is included. The synergy and earnings enhancement statements in this section should not be construed as a profit forecast or interpreted to mean that the earnings of AbbVie and/or Allergan in 2019, or in any subsequent period, would necessarily match or be greater than or be less than those of AbbVie and/or Allergan for the relevant financial period or any other period. The synergies estimate excludes any potential revenue synergies.

The transaction is subject to the Conditions set out in Appendix III of the Rule 2.5 Announcement, including certain regulatory approvals and approval by Allergan's Shareholders.

### **Conference Call and Other Materials**

AbbVie will host an investor conference call today at 7:30 a.m. Central to discuss this transaction. The call will be webcast through AbbVie's Investor Relations website at [investors.abbvie.com](http://investors.abbvie.com). An archived edition of the call will be available after 11 a.m. Central. Presentation materials for the investor conference call are available [here](#).

Conference call details:

Date: Tuesday, June 25, 2019  
Call start time: 7:30 a.m. Central time  
Dial-in numbers: 877-934-8565 (toll free) or 210-795-9161 (international)  
Passcode: ABBVIE

Please place your call by 7:15 a.m. Central time in order to be cleared for the start of the call at 7:30 a.m. Central time.

Call replay: 800-846-1910 (toll free) or 402-280-9953 (international)  
Replay code: 62519

In addition, an infographic highlighting the key attributes of this transaction is available [here](#).

AbbVie's lead financial advisor is Morgan Stanley & Co. LLC who has delivered a fairness opinion and has provided the committed financing for the transaction, and its legal advisors are Kirkland & Ellis LLP and McCann FitzGerald. PJT Partners LP is also serving as a financial advisor to AbbVie. Allergan's exclusive financial advisor is J.P. Morgan Securities LLC and its legal advisors are Wachtell, Lipton, Rosen & Katz and Arthur Cox.

### **Key Questions and Answers**

#### **1. What are the strategic and financial benefits of this transaction?**

This transaction achieves unique and complementary strategic objectives for both organizations. Combining Allergan's diversified on-market product portfolio with AbbVie's growth platform and deep expertise in R&D, commercial strength and international footprint will create a leading biopharmaceutical company with approximately \$48 billion in combined 2019 revenue. This combination also enhances AbbVie's ability for robust investment in its industry-leading pipeline of innovative therapies throughout the next decade and enables AbbVie to deliver on its mission to better serve patients.

The financial benefits include immediate 10% earnings-per-share accretion over the first full year of the combination, with peak accretion of greater than 20%. The transaction will generate annual pre-tax synergies and other cost reductions of at least \$2 billion in year three, with a return on invested capital to exceed AbbVie's cost of capital within the first full year.

#### **2. When do you anticipate this transaction to close and what is the leadership structure for the new combined company?**

We anticipate closing of the transaction by early 2020, subject to regulatory and Allergan's shareholder approvals. The combined company will continue to be incorporated in Delaware and have its principal executive offices in North Chicago, Ill. Richard A. Gonzalez will serve as the chairman and chief executive officer through the Humira loss of exclusivity in 2023. AbbVie's Board will include two Allergan board members, including Allergan's chairman and chief executive officer, Brent Saunders.

#### **3. Does this transaction represent a change in your fundamental strategy for AbbVie?**

This transaction enhances our ability to continue to advance our mission to develop a consistent stream of innovative medicines to create a remarkable impact on people's lives. AbbVie will now have a more diversified product portfolio with several leadership positions in high value therapeutic areas and an industry-leading pipeline of next-generation therapies with ensured capacity for continued investment across our innovative pipeline.

#### **4. What is the benefit of doing a transaction of this size versus smaller bolt-on acquisitions?**

This transaction is designed to meet a different strategic imperative than smaller bolt-on acquisitions. Its ability to deliver immediate scale to the AbbVie growth platform with Allergan's on-market diversified product portfolio meets our strategic goal to reduce reliance on Humira and allows us to continue expanding our focus on high-innovation science throughout the next decade.

Smaller bolt-on acquisitions provide opportunities for future growth, but also require significant R&D investment amid scientific and clinical uncertainty. This transaction offers immediate compelling financial and strategic value to our shareholders with a much lower risk profile.

#### **5. What is your level of confidence in your ability to operate the combined company given that it represents somewhat of a change in the mix of businesses from what AbbVie has been?**

We are highly confident in our ability to enhance the value of Allergan's existing commercial franchises and capitalize on next-generation pipeline programs. AbbVie has a proven track record of industry leading financial performance and commercial expertise in building market-leading franchises in immunology, hematologic oncology, and other areas, and our geographic scale will enable us to unlock additional value in Allergan's franchises. Our senior leadership team is experienced in leading diverse businesses and we are confident in our future success.

#### **6. What are your plans for capital allocation for the combined company? How do you intend to address the debt levels of the combined company?**

The combined company will produce robust cash flow which will support continued growth of our dividend, further investment in our pipeline, and reduction of debt. We intend to reduce debt levels by \$15-\$18 billion by the end of 2021, with further deleveraging through 2023.

#### **7. What do you view as the largest risks associated with the transaction?**

Any transaction of this magnitude involves a series of regulatory approvals and integration complexities. Both companies have organizations that are highly experienced at integrating businesses and we expect that process to be efficient and thorough.

#### **About AbbVie and Acquirer Sub**

AbbVie is a global, research-driven biopharmaceutical company committed to developing innovative advanced therapies for some of the world's most complex and critical conditions. The company's mission is to use its expertise, dedicated people and unique approach to innovation to markedly improve treatments across four primary therapeutic areas: immunology, oncology, virology and neuroscience. In more than 75 countries, AbbVie employees are working every day to advance health solutions for people around the world. For more information about AbbVie, please visit us at [www.abbvie.com](http://www.abbvie.com). Follow @abbvie on Twitter, Facebook or LinkedIn.

Acquirer Sub, a wholly-owned subsidiary of AbbVie, is a limited liability company organized in Delaware solely for the purpose of effecting the Acquisition. To date, Acquirer Sub has not conducted any activities other than those incidental to its formation and the execution of the Transaction Agreement.

#### **About Allergan**

Allergan, headquartered in Dublin, Ireland, is a global pharmaceutical leader focused on developing, manufacturing and commercializing branded pharmaceutical, device, biologic, surgical and regenerative medicine products for

patients around the world. Allergan markets a portfolio of brands and products primarily focused on four key therapeutic areas including medical aesthetics, eye care, central nervous system and gastroenterology. As part of its approach to delivering innovation for better patient care, Allergan has built a broad pharmaceutical and device research and development pipelines.

With employees and commercial operations in approximately 100 countries, Allergan is committed to working with physicians, healthcare providers and patients to deliver innovative and meaningful treatments that help people around the world live longer, healthier lives every day. For more information about Allergan, please visit [www.allergan.com](http://www.allergan.com).

## **ENQUIRIES**

### **AbbVie**

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## **NO OFFER OR SOLICITATION**

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In particular, this announcement is not an offer of securities for sale into the United States. No offer of securities shall be made in the United States absent registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from, or in a transaction not subject to, such

registration requirements. Any securities issued in the Acquisition are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act of 1933, as amended. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer document), which will contain the full terms and conditions of the Acquisition, including details with respect to the Allergan shareholder vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document.

### **IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC**

In connection with the proposed Acquisition, Allergan will file with the U.S. Securities and Exchange Commission (the “SEC”) a Proxy Statement, which will include the Scheme Document. **BEFORE MAKING ANY VOTING DECISION, ALLERGAN’S SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT, INCLUDING THE SCHEME DOCUMENT, AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED ACQUISITION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT (IF ANY) CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES TO THE PROPOSED ACQUISITION.** Allergan’s shareholders and investors will be able to obtain, without charge, a copy of the Proxy Statement, including the Scheme Document, and other relevant documents filed with the SEC (when available) from the SEC’s website at <http://www.sec.gov>. Allergan shareholders and investors will also be able to obtain, without charge, a copy of the Proxy Statement, including the Scheme Document, and other relevant documents (when available) by directing a written request to Allergan plc, Clonsaugh Business and Technology Park, Coolock, Dublin, D17 E400, Ireland, Attention: Investor Relations, or from Allergan’s website, [www.allergan.com](http://www.allergan.com).

### **PARTICIPANTS IN THE SOLICITATION**

Allergan and certain of its directors and executive officers and employees may be considered participants in the solicitation of proxies from the shareholders of Allergan in respect of the transactions contemplated by the Scheme Document. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Allergan in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Scheme Document when it is filed with the SEC. Information regarding Allergan’s directors and executive officers is contained in Allergan’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and its Proxy Statement on Schedule 14A, dated March 22, 2019, which are filed with the SEC, and certain of Allergan’s Current Reports on Form 8-K filed with the SEC on February 19, 2019, March 22, 2019 and May 1, 2019.

### **FORWARD-LOOKING STATEMENTS**

This announcement contains certain forward-looking statements with respect to a possible acquisition involving AbbVie and Allergan and AbbVie’s, Allergan’s and/or the combined group’s estimated or anticipated future business, performance and results of operations and financial condition, including estimates, forecasts, targets and plans for AbbVie and, following the acquisition, if completed, the combined group. The words “believe,” “expect,” “anticipate,” “project” and similar expressions, among others, generally identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the possibility that a possible acquisition will not be pursued, failure to obtain necessary regulatory approvals or required financing or to satisfy any of the other conditions to the possible acquisition, adverse effects on the market price of AbbVie’s shares of common stock or Allergan’s ordinary shares and on AbbVie’s or Allergan’s operating results because of a failure to complete the possible acquisition, failure to realize the expected benefits of the possible acquisition, failure to promptly and effectively integrate Allergan’s businesses, negative effects relating to the announcement of the possible acquisition or any further announcements relating to the possible acquisition or the consummation of the possible acquisition on the market price of AbbVie’s shares of common stock or Allergan’s ordinary shares, significant transaction costs and/or unknown or inestimable liabilities, potential litigation associated with the possible acquisition, general economic and business conditions that affect the combined companies following the consummation of the possible acquisition, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future

business acquisitions or disposals and competitive developments. These forward-looking statements are based on numerous assumptions and assessments made in light of AbbVie's or, as the case may be, Allergan's experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this announcement could cause Allergan's plans with respect to AbbVie, Allergan's or AbbVie's actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Additional information about economic, competitive, governmental, technological and other factors that may affect AbbVie is set forth in Item 1A, "Risk Factors," in AbbVie's 2018 Annual Report on Form 10-K, which has been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this announcement. Additional information about economic, competitive, governmental, technological and other factors that may affect Allergan is set forth in Item 1A, "Risk Factors," in Allergan's 2018 Annual Report on Form 10-K, which has been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this announcement.

Any forward-looking statements in this announcement are based upon information available to AbbVie, Allergan and/or their respective boards of directors, as the case may be, as of the date of this announcement and, while believed to be true when made, may ultimately prove to be incorrect. Subject to any obligations under applicable Law, none of AbbVie, Allergan or any member of their respective boards of directors undertakes any obligation to update any forward-looking statement whether as a result of new information, future developments or otherwise, or to conform any forward-looking statement to actual results, future events, or to changes in expectations. All subsequent written and oral forward-looking statements attributable to AbbVie, Allergan or their respective boards of directors or any person acting on behalf of any of them are expressly qualified in their entirety by this paragraph.

#### **Statement Required by the Irish Takeover Rules**

The AbbVie Directors accept responsibility for the information contained in this announcement relating to AbbVie and the AbbVie Directors and members of their immediate families, related trusts and persons connected with them, except for the statements made by Allergan in respect of AbbVie. To the best of the knowledge and belief of the AbbVie Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Allergan Directors accept responsibility for the information contained in this announcement relating to Allergan and the Allergan Directors and members of their immediate families, related trusts and persons connected with them, except for the statements made by AbbVie in respect of Allergan and the recommendation and related opinions of the Independent Allergan Directors. The Independent Allergan Directors accept responsibility for the recommendation and the related opinions of the Independent Allergan Directors contained in this announcement. To the best of the knowledge and belief of the Allergan Directors and the Independent Allergan Directors (who have taken all reasonable care to ensure such is the case), the information contained in this announcement for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Morgan Stanley & Co. LLC, acting through its affiliate Morgan Stanley & Co. International plc, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser to AbbVie and for no one else in relation to the matters referred to in this announcement. In connection with such matters, Morgan Stanley and its directors, officers, employees and agents will not regard any other person as its client, nor will it be responsible to anyone other than AbbVie for providing the protections afforded to their clients or for providing advice in connection with the matters described in this announcement or any matter referred to herein.

PJT Partners LP, a U.S. registered broker-dealer regulated by FINRA and a member of SIPC, is acting for AbbVie and no one else in connection with the matters set out in this announcement and will not be responsible to anyone

other than AbbVie for providing advice in relation to the matters in this announcement. Neither PJT Partners LP nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PJT Partners LP in connection with this announcement, any statement contained herein or otherwise.

J.P. Morgan Securities LLC, which is a registered broker dealer with the SEC, is acting as financial adviser to Allergan in connection with the Acquisition. In connection with the Acquisition, J.P. Morgan Securities LLC and its directors, officers, employees and agents will not regard any other person as its client, nor will it be responsible to anyone other than Allergan for providing the protections afforded to clients of J.P. Morgan Securities LLC or for giving advice in connection with the Acquisition or any matter referred to herein.

### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 (the “Irish Takeover Rules”), if any person is, or becomes, ‘interested’ (directly or indirectly) in, 1% or more of any class of ‘relevant securities’ of Allergan or AbbVie, all ‘dealings’ in any ‘relevant securities’ of Allergan or AbbVie (including by means of an option in respect of, or a derivative referenced to, any such ‘relevant securities’) must be publicly disclosed by not later than 3:30 pm (New York time) on the ‘business’ day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or on which the ‘offer period’ otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an ‘interest’ in ‘relevant securities’ of Allergan or AbbVie, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all ‘dealings’ in ‘relevant securities’ of Allergan by AbbVie or ‘relevant securities’ of AbbVie by Allergan, or by any party acting in concert with either of them, must also be disclosed by no later than 12 noon (New York time) on the ‘business’ day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose ‘relevant securities’ ‘dealings’ should be disclosed, can be found on the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

‘Interests in securities’ arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an ‘interest’ by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

### **No Profit Forecast / Asset Valuations**

No statement in this announcement is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for AbbVie or Allergan as appropriate. No statement in this announcement constitutes an asset valuation.

### **Publication on Website**

Pursuant to Rule 2.6(c) of the Irish Takeover Rules, this announcement will be available to AbbVie employees on AbbVie’s website [www.abbvie.com](http://www.abbvie.com) and Allergan employees on Allergan’s website [www.allergan.com](http://www.allergan.com). Neither the content of any such website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this announcement.

## **Right to Switch to a Takeover Offer**

AbbVie reserves the right, subject to the terms of the Transaction Agreement, to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, subject to the provisions of the Transaction Agreement and with the Panel's consent. In such event, the Acquisition will be implemented on terms at least as favorable, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments (including an acceptance condition set at 80% of the shares to which such offer relates).

## **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, any figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

## **General**

Appendix I to this announcement contains further details of the sources of information and bases of calculations set out in this announcement; Appendix II to this announcement contains definitions of certain expressions used in this announcement; Appendix III to this announcement contains the Conditions of the Acquisition and the Scheme; Appendix IV to this announcement sets out the report from PricewaterhouseCoopers LLP in respect of certain merger benefit statements made in this announcement; Appendix V to this announcement contains the report from Morgan Stanley in respect of certain merger benefit statements made in this announcement and Appendix VI to this announcement sets out the Transaction Agreement.

The release, publication or distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions, including any Restricted Jurisdictions. Accordingly, copies of this announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdictions. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable Law, the companies involved in the Acquisition disclaim any responsibility or liability for the violations of any such restrictions by any person.

Any response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Documents or any document by which the Acquisition and the Scheme are made. Allergan Shareholders are advised to read carefully the formal documentation in relation to the proposed Acquisition once the Scheme Documents have been despatched.

This announcement has been prepared for the purpose of complying with the laws of Ireland and the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of Ireland.

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FOR IMMEDIATE RELEASE***

June 25, 2019

**RECOMMENDED OFFER**

**ABBVIE TO ACQUIRE ALLERGAN  
FOR \$63 BILLION IN CASH AND STOCK**

**BY MEANS OF A SCHEME OF ARRANGEMENT UNDER CHAPTER 1 OF PART 9 OF THE  
COMPANIES ACT 2014**

**1. Introduction**

The AbbVie Board and the Independent Allergan Directors announced today that they have reached agreement on the terms of a recommended acquisition of Allergan in a transaction valued at approximately \$63 billion of equity value. The Acquisition will be effected by means of a Scheme under Chapter 1 of Part 9 of the Act.

The Acquisition will be on the terms and subject to the conditions set out below, and the implementation of the Acquisition and the Scheme will be subject to the Conditions referred to in Appendix III of this announcement, which will also be set out in the Scheme Document.

**2. Consideration**

Under the terms of the Transaction Agreement, which has been unanimously approved by the AbbVie Board and the Independent Allergan Directors, at completion Allergan Shareholders will receive 0.8660 AbbVie Shares and \$120.30 in cash (and Cash Consideration in lieu of Fractional Entitlements) for each Allergan Share that they hold.<sup>4</sup>

Based on the closing price for AbbVie common stock on June 24, 2019, the last trading day prior to the date of this announcement, Allergan Shareholders will receive cash and shares valued at \$188.24 per Allergan Share, representing a premium of 45% to the closing price of Allergan's ordinary shares on June 24, 2019, the last trading day prior to the date of this announcement and a transaction equity value of approximately \$63 billion.

The Acquisition is expected to be taxable, to the Allergan Shareholders, for U.S. federal income tax purposes.

It is expected that, immediately after the closing of the Acquisition, AbbVie Shareholders will own approximately 83% of AbbVie on a fully diluted basis and the Allergan Shareholders will own approximately 17% of AbbVie on a fully diluted basis.

AbbVie has secured fully underwritten financing commitments from Morgan Stanley Senior Funding, Inc. and MUFG Bank, Ltd., for an aggregate amount of US\$38.0 billion, to finance together with AbbVie's own cash resources, the cash portion of the Acquisition.

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<sup>4</sup> Subject to adjustment in accordance with the Exchange Ratio Modification Number.

### **3. AbbVie Background to and Reasons for the Acquisition**

As a part of its on-going review of AbbVie's long-term strategy, the AbbVie Board regularly considers strategic opportunities that might be available to enhance shareholder value, including additional investments in new growth opportunities and potential acquisitions.

Beginning in late April of 2019, senior management of AbbVie and Allergan had a series of discussions regarding the possibility of an acquisition by AbbVie of Allergan and the possible terms of such a transaction. In connection with a possible transaction, AbbVie retained Morgan Stanley & Co. LLC in late May of 2019 as its financial advisor and Kirkland & Ellis LLP and McCann FitzGerald as its legal advisors.

During the period preceding the execution of definitive documentation for the Acquisition on June 25, 2019, the parties discussed and negotiated the transaction terms, conducted due diligence with respect to each other's businesses and consulted with the Panel, and AbbVie arranged financing for the transaction. On June 24, 2019, the AbbVie Board met, together with AbbVie's senior management and financial and legal advisors, to consider proposed terms and drafts of definitive documentation for a proposed acquisition by AbbVie of Allergan. At this meeting, AbbVie's Board unanimously determined that the Transaction Agreement and the transactions contemplated thereby, including the Acquisition, were in the best interests of AbbVie and its stockholders, and thereby authorized and approved the Acquisition.

AbbVie's Board believes that the Acquisition will create a more diversified pharmaceutical company, positioned for success in current and future health care markets. Following the Acquisition, AbbVie will have market leading positions in multiple therapeutic categories, a more diversified product portfolio, and strong cash flow.

In reaching its decision to authorize and approve the Acquisition, the AbbVie Board consulted with and received advice and reports from AbbVie's senior management and its financial and legal advisors, and drew on its knowledge of AbbVie's business, assets, financial position, operating results, historical and current trading prices of its securities, and the opportunities and challenges in its businesses and the industries in which it operates, as well as information relating to Allergan and the potential opportunities available to and future business prospects of the combined company.

Further detail in respect of the background and reasons for the Acquisition will be included in the Proxy Statement.

### **4. Allergan Background to and Reasons for Recommending the Acquisition**

The Allergan Directors have on an ongoing basis considered the long-term strategy of Allergan and strategic opportunities that might be available to enhance shareholder value, including additional investments in new growth opportunities, potential acquisitions and the possible sale of Allergan as well as a potential spin off of certain of Allergan's businesses.

Beginning in late April of 2019, senior management of AbbVie and Allergan had a series of discussions regarding the possibility of an acquisition by AbbVie of Allergan and the possible terms of such a transaction. In connection with a possible transaction, Allergan retained J.P. Morgan Securities LLC as its financial advisor and Wachtell, Lipton, Rosen & Katz and Arthur Cox as its legal advisors.

During the period preceding the execution of definitive documentation for the Acquisition on June 25, 2019, the parties discussed and negotiated the transaction terms, conducted due diligence with respect to each other's businesses and consulted with the Panel. Also during this period, the Independent Allergan Directors met, together with Allergan's senior management and its financial and legal advisors, on various occasions to consider the merits of a potential transaction with AbbVie and the status of the discussions and negotiations between the parties.

On June 23, 2019, the Independent Allergan Directors met, together with Allergan's senior management and financial and legal advisors, to consider proposed terms and drafts of definitive documentation for a proposed acquisition by AbbVie of Allergan. At this meeting, the Independent Allergan Directors unanimously determined that the Transaction Agreement and the transactions contemplated thereby, including the Scheme, were advisable for, fair to and in the

best interests of Allergan and the Allergan Shareholders, and thereby approved the Acquisition and determined that the terms of the Scheme were fair and reasonable.

In reaching its decision to approve the Acquisition, the Independent Allergan Directors consulted with and received advice and reports from Allergan's senior management and its financial and legal advisors, and drew on its knowledge of Allergan's business, assets, financial position, operating results, historical and current trading prices of its securities, and the opportunities and challenges in its businesses and the industries in which it operates, as well as information relating to AbbVie and the potential opportunities available to and future business prospects of the combined company. After giving consideration to these and a variety of other factors and risks, the Independent Allergan Directors unanimously determined to recommend that Allergan Shareholders vote in favor of the Acquisition.

Further detail in respect of the background and reasons for the Acquisition will be included in the Proxy Statement.

## **5. Allergan Recommendation**

The Independent Allergan Directors, who have been so advised by J.P. Morgan Securities LLC as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, J.P. Morgan Securities LLC has taken into account the commercial assessments of the Independent Allergan Directors. J.P. Morgan Securities LLC is acting as independent financial adviser to the Independent Allergan Directors in relation to the Acquisition for the purposes of Rule 3 of the Takeover Rules.

Accordingly, the Independent Allergan Directors unanimously recommend to Allergan Shareholders to vote in favor of the Acquisition and the Scheme, as the Independent Allergan Directors who are Allergan Shareholders intend to do in respect of their own beneficial holdings of, in the aggregate, 63,690 Allergan Shares.

Thomas C. Freyman is not participating in the Independent Allergan Directors' recommendation of the Acquisition and related matters as Mr. Freyman is regarded under Rule 3 of the Irish Takeover Rules as having a conflict of interest due to Mr. Freyman's shareholding in AbbVie.

## **6. The Acquisition and the Scheme**

The Acquisition will be effected by means of a "scheme of arrangement" in accordance with Chapter 1 of Part 9 of the Act pursuant to which Acquirer Sub, a wholly owned subsidiary of AbbVie, will acquire all of the outstanding Allergan Shares in exchange for 0.8660 AbbVie Shares and \$120.30 in cash (and Cash Consideration in lieu of Fractional Entitlements) per Allergan Share, subject to adjustment in accordance with the Exchange Ratio Modification Number. The Acquisition will be subject to the Conditions set out in Appendix III to this announcement and to be set forth in the Scheme described in the Scheme Document which will be delivered to Allergan Shareholders.

To become effective, the Scheme will require, among other things, the approval of the Scheme by a majority in number of members of each class of Allergan Shareholders (including as may be directed by the High Court pursuant to Section 450(5) of the Act) present and voting either in person or by proxy at the Court Meeting (or at any adjournment or postponement of such meeting) representing, at the relevant voting record time, at least 75% in value of the Allergan Shares of that class held by such Allergan Shareholders and (ii) the Required EGM Resolutions being duly passed by the requisite majorities of Allergan Shareholders at the EGM (or any adjournment or postponement thereof). Following the Allergan Shareholder Approval being obtained and the satisfaction or (where applicable) waiver of the other conditions to the consummation of the Scheme, the sanction of the Irish High Court is also required. The Acquisition, which is unanimously recommended by the AbbVie Board and the Independent Allergan Directors, is also subject to receipt of certain regulatory approvals and certain other conditions, as more particularly set out in Appendix III of this announcement.

Assuming the necessary approvals from the Allergan Shareholders have been obtained and all other conditions have been satisfied or waived (where applicable), the Scheme will become effective upon delivery to the Irish Registrar of Companies of a copy of the Court Order of the Irish High Court sanctioning the Scheme together with the minute required by section 86 of the Act confirming a capital reduction to take place in connection with the Acquisition and registration of the Court Order and minute by the Irish Registrar of Companies. Upon the Scheme becoming effective,

the Scheme will be binding on all Allergan Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

The Acquisition will be conditional upon the Scheme becoming effective. The Conditions to the Acquisition and the Scheme are set out in full in Appendix III to this announcement. The implementation of the Scheme is conditional, amongst other things, upon:

- (a) the approval by the Allergan Shareholders and the sanction by the Irish High Court of the Scheme;
- (b) the approval for listing on NYSE (subject only to certain standard conditions) of all of the AbbVie Shares to be issued in the Acquisition;
- (c) all applicable waiting periods under the HSR Act in connection with the Acquisition having expired or having been terminated, and, to the extent applicable, any agreement between Allergan and AbbVie, on the one hand, and the Federal Trade Commission or the Antitrust Division of the United States Department of Justice, on the other hand, not to consummate the Scheme or the Acquisition having expired or been earlier terminated;
- (d) to the extent (i) the Acquisition constitutes a concentration within the scope of the EC Merger Regulation or otherwise is a concentration that is subject to the EC Merger Regulation, the European Commission having decided to allow the closing of the Acquisition, and (ii) that all or part of the Acquisition is referred by the European Commission to the relevant authority of one or more member countries of the European Economic Area, such relevant authority(ies) (in the case of a partial referral in conjunction with a final decision of the European Commission) having issued a final decision or decisions which satisfies (or together satisfy) the prior clause (i) (that clause being interpreted *mutatis mutandis*);
- (e) all required Clearances of any Governmental Entity having been obtained and remaining in full force and effect and all applicable waiting periods having expired, lapsed or been terminated (as appropriate), in each case in connection with the Acquisition, under the Antitrust Laws of each Required Antitrust Jurisdiction, and (a) no order, writ, decree, judgment, or injunction (whether temporary or permanent) shall have been issued, promulgated, made, rendered or entered into by any court or other tribunal of competent jurisdiction, and (b) no Law other than an order, writ, decree, judgement or injunction described in clause (a) (whether or not final or appealable) (excluding, for the purpose of this clause (b), any Antitrust Law of any jurisdiction that is not a Required Antitrust Jurisdiction) shall have been enacted, issued, promulgated, enforced or entered and continue in effect and, in each case of clauses (a) and (b), restrain, enjoin, make illegal or otherwise prohibit the consummation of the Acquisition;
- (f) the Transaction Agreement not having been terminated in accordance with its terms;
- (g) the absence of a material adverse effect with respect to each party;
- (h) the accuracy of each of the parties' representations and warranties, except generally as would not have a material adverse effect on such party; and
- (i) the performance by each party, in all material respects, with all of its covenants and agreements under the Transaction Agreement.

The Scheme Document, containing further information relating to the implementation of the Acquisition, the full terms and Conditions of the Scheme, and the notices of the Court Meeting, to be convened by resolution of the Allergan Board or direction of the Irish High Court, and the separate EGM required to approve the Scheme and related resolutions will be mailed as promptly as reasonably practicable after securing approval of the High Court to despatch such documents to Allergan Shareholders and, for information only, to holders of Allergan Options and Allergan Share Awards.

The Proxy Statement will contain important information about the Acquisition (including the Scheme), the Transaction Agreement, the Court Meeting and the EGM.

## **7. Merger Benefit Statement**

AbbVie anticipates that the Acquisition will provide annual pre-tax synergies and other cost reductions of at least \$2 billion in year three while leaving investments in key growth franchises untouched. The synergies and other cost reductions will be a result of optimizing the research and early stage portfolio, and reducing overlapping R&D resources (~50%), driving efficiencies in SG&A, including sales and marketing and central support function costs (~40%), and eliminating redundancies in manufacturing and supply chain, and leveraging procurement spend (~10%). The synergies estimate excludes any potential revenue synergies.

Subject to the Scheme becoming effective, Allergan Shareholders will be able to share in the synergies and other cost reductions resulting from the Acquisition by means of the AbbVie Shares they will receive as part of the Scheme Consideration.

There are various material assumptions underlying the synergies and other cost reductions estimates which may result in the synergies and other cost reductions being materially greater or less than estimated. The estimate of synergies and other cost reductions should therefore be read in conjunction with the key assumptions underlying the estimates set out in Appendix I of this announcement.

The synergies and other cost reductions statements should not be construed as a profit forecast or interpreted to mean that AbbVie's profits or earnings in the first full year following the Acquisition, or in any subsequent period, would necessarily match or be greater than or be less than those of AbbVie and/or Allergan for the relevant preceding financial period or any other period.

The estimate of synergies set out in this announcement has been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules by (i) PricewaterhouseCoopers LLP and (ii) Morgan Stanley & Co. International plc. Copies of their respective reports are included in Appendix IV and Appendix V to this announcement. Each of PricewaterhouseCoopers LLP and Morgan Stanley & Co. International plc has given and not withdrawn its consent to the issue of this announcement with the inclusion of its report.

## **8. About AbbVie and Acquirer Sub**

AbbVie is a global, research-driven biopharmaceutical company committed to developing innovative advanced therapies for some of the world's most complex and critical conditions. The company's mission is to use its expertise, dedicated people and unique approach to innovation to markedly improve treatments across four primary therapeutic areas: immunology, oncology, virology and neuroscience. In more than 75 countries, AbbVie employees are working every day to advance health solutions for people around the world. For more information about AbbVie, please visit us at [www.abbvie.com](http://www.abbvie.com). Follow @abbvie on Twitter, Facebook or LinkedIn.

Acquirer Sub, a wholly-owned subsidiary of AbbVie, is a limited liability company organized in Delaware solely for the purpose of effecting the Acquisition. To date, Acquirer Sub has not conducted any activities other than those incidental to its formation and the execution of the Transaction Agreement.

## **9. About Allergan**

Allergan, headquartered in Dublin, Ireland, is a global pharmaceutical leader focused on developing, manufacturing and commercializing branded pharmaceutical, device, biologic, surgical and regenerative medicine products for patients around the world. Allergan markets a portfolio of brands and products primarily focused on four key therapeutic areas including medical aesthetics, eye care, central nervous system and gastroenterology. As part of its approach to delivering innovation for better patient care, Allergan has built a broad pharmaceutical and device research and development pipelines.

With employees and commercial operations in approximately 100 countries, Allergan is committed to working with physicians, healthcare providers and patients to deliver innovative and meaningful treatments that help people around the world live longer, healthier lives every day.

For press release and other company information, please visit Allergan's web site at [www.allergan.com](http://www.allergan.com).

#### **10. Effect of the Scheme on Allergan Options and Allergan Share Awards**

Pursuant to the terms of the Transaction Agreement, Allergan's outstanding equity awards will be treated as follows: (i) each unexercised Allergan Option will be substituted with an Allergan Replacement Option, with the exercise price per AbbVie Share and the number of AbbVie Shares underlying the Allergan Replacement Option adjusted to reflect the conversion from Allergan Shares into AbbVie Shares, and (ii) each other Allergan Share Award, including Allergan RSU Awards, Allergan PSUs and Allergan Restricted Stock Awards, will be substituted with an Allergan Replacement Share Award, with the number of AbbVie Shares underlying each such Allergan Replacement Share Award adjusted to reflect the conversion from Allergan Shares into AbbVie Shares. AbbVie restricted stock unit awards will be granted in substitution for Allergan PSUs, and the number of AbbVie Shares underlying each Allergan PSU with a performance period that remains subject to performance vesting conditions as of the date of the Transaction Agreement (*i.e.*, any Allergan PSU for which the level of performance has not been determined) will equal 130% of the target number of Allergan Shares subject to such Allergan PSU. Each Allergan Replacement Option and Allergan Replacement Share Award will continue to have, and be subject to, the same terms and conditions (including, for each Allergan PSU, the time vesting conditions provided in the applicable award agreement, but excluding any performance-based vesting conditions) that applied to the corresponding Allergan Option or Allergan Share Award, as applicable (except for terms rendered inoperative by reason of the Acquisition or for immaterial administrative or ministerial changes that are not adverse to any holder other than in any *de minimis* respect).

#### **11. Management and Employees**

Pursuant to the terms of the Transaction Agreement, AbbVie has given certain assurances in relation to the continuation of certain existing compensation and employment benefit arrangements of Allergan's employees following the Acquisition. Further details in this regard will be included in the Scheme Document.

#### **12. Delisting of Allergan Shares**

It is intended that, subject to and following the Scheme becoming effective, and subject to applicable requirements of the NYSE, the Allergan Shares will be delisted from the NYSE and deregistered, along with other securities of Allergan under the Exchange Act, as promptly as practicable after the Effective Time.

#### **13. Financing**

AbbVie has secured fully underwritten financing commitments from Morgan Stanley Senior Funding, Inc. and MUFG Bank, Ltd., for an aggregate amount of US\$38.0 billion, to finance together with AbbVie's own cash resources, the cash portion of the Acquisition. Further information on the financing of the Acquisition will be set out in the Scheme Document.

Morgan Stanley & Co. LLC, acting through its affiliate Morgan Stanley & Co. International plc, financial advisor to AbbVie, is satisfied that sufficient resources are available to satisfy in full the Cash Consideration payable to Allergan Shareholders under the terms of the Acquisition.

#### **14. Expenses Reimbursement Agreement**

Allergan has entered into the Expenses Reimbursement Agreement, dated June 25, 2019 with AbbVie, the terms of which have been approved by the Panel. Under the Expenses Reimbursement Agreement, Allergan has agreed to pay to AbbVie in certain circumstances an amount equal to all documented, specific, quantifiable third party costs and expenses incurred, directly or indirectly, by AbbVie and/or its subsidiaries, or on their behalf, for the purposes of, in preparation for, or in connection with the Acquisition, including, but not limited to, third party costs and expenses

incurred in connection with exploratory work carried out in contemplation of and in connection with the Acquisition, legal, financial and commercial due diligence, the arrangement of financing and the engagement of third party representatives to assist in the process. The liability of Allergan to pay these amounts shall arise only after the date of this announcement and is limited to a maximum amount equal to 1% of the aggregate value of the total Scheme Consideration (excluding, for the avoidance of doubt, any interest in such share capital of Allergan held by AbbVie or any Concert Parties of AbbVie). The circumstances in which such payment will be made are if:

- (a) the Transaction Agreement is terminated:
  - (i) by AbbVie at any time prior to the receipt of the Allergan Shareholder Approval, due to an Allergan Change of Recommendation having occurred; or
  - (ii) by Allergan, at any time prior to obtaining the Allergan Shareholder Approval, in response to an Allergan Superior Proposal and, substantially concurrently with such termination, a written definitive agreement providing for the consummation of transactions contemplated by such Allergan Superior Proposal is duly executed and delivered by Allergan and all other parties thereto; or
- (b) all of the following occur:
  - (i) the Transaction Agreement is terminated (x) by AbbVie if Allergan breached or failed to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement, which breach or failure to perform (1) would have resulted in a failure of the Condition set forth in paragraph 4(iii) of Appendix III and (2) was not reasonably capable of being cured by the End Date or, if curable, is not cured by the earlier of (a) the End Date and (b) 30 days following written notice by AbbVie thereof or (y) by AbbVie or Allergan, if the Court Meeting or the EGM was completed and the Court Meeting Resolution or the Required EGM Resolutions, as applicable, were not approved by the requisite majorities; and
  - (ii) prior to the Court Meeting, an Allergan Alternative Proposal was publicly disclosed or announced (or, in the case of a termination described in paragraph (b)(i)(x) above, was made publicly or privately to the Allergan Board), or any person shall have publicly announced an intention (whether or not conditional) to make an Allergan Alternative Proposal (it being understood that, for purposes of this paragraph (b)(ii) and paragraph (b)(iii) below, references to “twenty percent (20%)” in the definition of Allergan Alternative Proposal shall be deemed to refer to “fifty percent (50)%”); and
  - (iii) (x) an Allergan Alternative Proposal is consummated within twelve months after such termination, or (y) a definitive agreement providing for an Allergan Alternative Proposal is entered into within twelve months after such termination and which is subsequently consummated, in the case of each of clauses (x) and (y), regardless of whether such Allergan Alternative Proposal is the same Allergan Alternative Proposal referred to in paragraph (b)(ii) above.

Each of J.P. Morgan Securities LLC and the Independent Allergan Directors have confirmed in writing to the Panel that, in the opinion of J.P. Morgan Securities LLC and the Independent Allergan Directors (respectively), in the context of the note to Rule 21.2 of the Takeover Rules and the Acquisition, the Expenses Reimbursement Agreement is in the best interests of the Allergan Shareholders. The Panel has consented to Allergan entering into the Expenses Reimbursement Agreement.

## **15. Transaction Agreement**

AbbVie, Allergan and Acquirer Sub have entered into the Transaction Agreement dated June 25, 2019 which contains certain assurances, obligations and commitments in relation to the implementation of the Scheme, including provisions

in relation to the conduct of Allergan's business between the date of this announcement and the Effective Date and other matters relating to the Acquisition. A copy of the Transaction Agreement is appended to this announcement at Appendix VI and a summary of the principal terms of the Transaction Agreement will be set out in the Proxy Statement (which will also contain the Scheme Document).

The Proxy Statement, which will be filed with the SEC, will contain important information about the Acquisition (including the Scheme), the Transaction Agreement, the Court Meeting and the EGM.

The Transaction Agreement provides that, upon termination of the Transaction Agreement under certain circumstances relating to the failure to obtain antitrust approvals, AbbVie will pay Allergan a reverse termination fee of \$1.25 billion.

## **16. Disclosure of Interests in Relevant Securities of Allergan**

As at the close of business on June 21, 2019 (being the last practicable date prior to the release of this announcement), Morgan Stanley & Co. LLC, financial adviser to AbbVie and any person (other than an exempt principal trader or an exempt fund manager) controlling, controlled by, or under the same control as, Morgan Stanley & Co. LLC was interested in, or held short positions in, the Allergan securities set out in Appendix I to this announcement.

Save as described above, as at the close of business on June 21, 2019, none of AbbVie, Acquirer Sub or, so far as AbbVie is aware, any person Acting in Concert with AbbVie:

- (a) had an interest in relevant securities of Allergan;
- (b) had any short position in relevant securities of Allergan;
- (c) had received an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of relevant securities of Allergan; or
- (d) had borrowed or lent any Allergan Shares.

Furthermore, no arrangement to which Rule 8.7 of the Takeover Rules applies exists between AbbVie, Acquirer Sub or Allergan or a person Acting in Concert with AbbVie, Acquirer Sub or Allergan in relation to Allergan Shares. For these purposes, an "arrangement to which Rule 8.7 of the Takeover Rules applies" includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, between two or more persons relating to relevant securities which is or may be an inducement to one or more of such persons to deal or refrain from dealing in such securities.

In the interests of confidentiality, AbbVie, Acquirer Sub and Morgan Stanley have made only limited enquiries in respect of certain parties who may be deemed by the Panel to be Acting in Concert with them for the purposes of the Acquisition. Further enquiries will be made to the extent necessary as soon as practicable following the date of this announcement and any disclosure in respect of such parties will be included in the Scheme Document.

## **17. Rule 2.10 Disclosure**

In accordance with Rule 2.10 of the Takeover Rules, Allergan (NYSE: AGN) confirms that, as of the close of business on June 24, 2019, Allergan's issued share capital, excluding treasury shares, consisted of 327,823,903 ordinary shares, par value US\$0.0001 per share. The International Securities Identification Number (ISIN) of the Allergan ordinary shares is IE00BY9D5467.

Allergan confirms that, as of the close of business on June 24, 2019, there were outstanding 2,861,241 restricted share units (the "Allergan Restricted Share Units") and 6,342,739 options to purchase Allergan ordinary shares (the "Allergan Share Options") granted by Allergan. Upon vesting, each Allergan Restricted Share Unit entitles the holder

to receive one Allergan ordinary share and each Allergan Share Option entitles the holder to purchase one Allergan ordinary share at the applicable exercise price.

Allergan also confirms that, as of the close of business on June 24, 2019, there were outstanding performance share units (the “Allergan Performance Share Units”) entitling holders to receive up to a maximum of 482,892 Allergan ordinary shares upon vesting, assuming satisfaction of the applicable performance criteria at maximum performance.

The number of Allergan Shares capable of being issued in respect of the Allergan Restricted Share Units and Allergan Performance Share Units described in this announcement includes the Allergan ordinary shares capable of being issued upon the vesting of the applicable dividend equivalent units attaching to the respective Allergan Restricted Share Units and Allergan Performance Share Units.

## **18. Rule 30.2 Derogation**

Rule 30.2 of the Irish Takeover Rules requires that, except with the consent of the Panel, and subject to Rule 2.7 of the Irish Takeover Rules, Allergan must despatch the Scheme Document to Allergan Shareholders within 28 days of the announcement of a firm intention to make an offer, being this announcement.

On June 24, 2019 the Panel agreed to grant the parties a derogation from Rule 30.2.

There is a requirement to file the Proxy Statement (which will also contain the Scheme Document) with the SEC in connection with the Scheme. The preparation of the Proxy Statement may take more than 28 days. Also, the SEC may elect to review the Proxy Statement. This review process may take 60 days or more to complete. Under SEC rules, the Proxy Statement may not be despatched to Allergan’s Shareholders until such review is complete. The Panel granted the derogation on the basis that the Scheme Document cannot be despatched until the SEC’s review of the Proxy Statement is completed. The Scheme Document will be despatched to Allergan’s Shareholders as soon as practicable after a definitive Proxy Statement is filed.

## **19. General**

The Acquisition and the Scheme will be made subject to the Conditions and the further terms and conditions to be set out in the Scheme Document. The Scheme Document will include full details of the Acquisition and will be accompanied by the appropriate forms of proxy.

AbbVie reserves the right, subject to the terms of the Transaction Agreement, to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, subject to the provisions of the Transaction Agreement and with the Panel’s consent. In such event, the Acquisition will be implemented on terms at least as favourable, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments (including an acceptance condition set at 80% of the shares to which such offer relates).

The Transaction Agreement is governed by the laws of the State of Delaware. However, the Acquisition and the Scheme and matters related thereto (including matters related to the Takeover Rules) shall, to the extent required by the laws of Ireland, be governed by, and construed in accordance with, the laws of Ireland. The interpretation of the duties of directors of Allergan shall also be governed by, and construed in accordance with, the laws of Ireland.

Appendix I to this announcement contains further details of the sources of information and bases of calculations set out in this announcement; Appendix II to this announcement contains definitions of certain expressions used in this announcement; Appendix III to this announcement contains the Conditions of the Acquisition and the Scheme; Appendix IV to this announcement sets out the report from PricewaterhouseCoopers LLP in respect of certain merger benefit statements made in this announcement; Appendix V to this announcement contains the report from Morgan Stanley & Co. International plc, in respect of certain merger benefit statements made in this announcement and Appendix VI to this announcement sets out the Transaction Agreement.

## ENQUIRIES

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### **J.P. Morgan Securities LLC (exclusive financial advisor to Allergan)**

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## NO OFFER OR SOLICITATION

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In particular, this announcement is not an offer of securities for sale into the United States. No offer of securities shall be made in the United States absent registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. Any securities issued in the acquisition are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act of 1933, as amended. The acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer Document), which will contain the full terms and conditions of the acquisition, including details with respect to the Allergan shareholder vote in respect of the acquisition. Any decision in respect of, or other response to, the acquisition, should be made only on the basis of the information contained in the Scheme Document.

## IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

In connection with the proposed Acquisition, Allergan will file with the U.S. Securities and Exchange Commission (the "SEC") a Proxy Statement, which will include the Scheme Document. BEFORE MAKING ANY VOTING

DECISION, Allergan's SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT, INCLUDING THE SCHEME DOCUMENT, AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED ACQUISITION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT (IF ANY) CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES TO THE PROPOSED ACQUISITION. Allergan's shareholders and investors will be able to obtain, without charge, a copy of the Proxy Statement, including the Scheme Document, and other relevant documents filed with the SEC (when available) from the SEC's website at <http://www.sec.gov>. Allergan shareholders and investors will also be able to obtain, without charge, a copy of the Proxy Statement, including the Scheme Document, and other relevant documents (when available) by directing a written request to Allergan plc, Clonshaugh Business and Technology Park, Coolock, Dublin, D17 E400, Ireland, Attention: Investor Relations, or from Allergan's website, [www.allergan.com](http://www.allergan.com).

## **PARTICIPANTS IN THE SOLICITATION**

Allergan and certain of its directors and executive officers and employees may be considered participants in the solicitation of proxies from the shareholders of Allergan in respect of the transactions contemplated by the Scheme Document. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Allergan in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Scheme Document when it is filed with the SEC. Information regarding Allergan's directors and executive officers is contained in Allergan's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and its Proxy Statement on Schedule 14A, dated March 22, 2019, which are filed with the SEC, and certain of Allergan's Current Reports on Form 8-K filed with the SEC on February 19, 2019, March 22, 2019 and May 1, 2019.

## **FORWARD-LOOKING STATEMENTS**

This announcement contains certain forward-looking statements with respect to a possible acquisition involving AbbVie and Allergan and AbbVie's, Allergan's and/or the combined group's estimated or anticipated future business, performance and results of operations and financial condition, including estimates, forecasts, targets and plans for AbbVie and, following the Acquisition, if completed, the combined company. The words "believe," "expect," "anticipate," "project" and similar expressions, among others, generally identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the possibility that a possible acquisition will not be pursued, failure to obtain necessary regulatory approvals or required financing or to satisfy any of the other conditions to the possible acquisition, adverse effects on the market price of AbbVie's shares of common stock or Allergan's ordinary shares and on AbbVie's or Allergan's operating results because of a failure to complete the possible acquisition, failure to realize the expected benefits of the possible acquisition, failure to promptly and effectively integrate Allergan's businesses, negative effects relating to the announcement of the possible acquisition or any further announcements relating to the possible acquisition or the consummation of the possible acquisition on the market price of AbbVie's shares of common stock or Allergan's ordinary shares, significant transaction costs and/or unknown or inestimable liabilities, potential litigation associated with the possible acquisition, general economic and business conditions that affect the combined companies following the consummation of the possible acquisition, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business acquisitions or disposals and competitive developments. These forward-looking statements are based on numerous assumptions and assessments made in light of AbbVie's or, as the case may be, Allergan's experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this announcement could cause Allergan's plans with respect to AbbVie, Allergan's or AbbVie's actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this

announcement. Additional information about economic, competitive, governmental, technological and other factors that may affect AbbVie is set forth in Item 1A, “Risk Factors,” in AbbVie’s 2018 Annual Report on Form 10-K, which has been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this announcement. Additional information about economic, competitive, governmental, technological and other factors that may affect Allergan is set forth in Item 1A, “Risk Factors,” in Allergan’s 2018 Annual Report on Form 10-K, which has been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this announcement.

Any forward-looking statements in this announcement are based upon information available to AbbVie, Allergan and/or their respective boards of directors, as the case may be, as of the date of this announcement and, while believed to be true when made, may ultimately prove to be incorrect. Subject to any obligations under applicable Law, none of AbbVie, Allergan or any member of their respective boards of directors undertakes any obligation to update any forward-looking statement whether as a result of new information, future developments or otherwise, or to conform any forward-looking statement to actual results, future events, or to changes in expectations. All subsequent written and oral forward-looking statements attributable to AbbVie, Allergan or their respective boards of directors or any person acting on behalf of any of them are expressly qualified in their entirety by this paragraph.

#### **Statement Required by the Irish Takeover Rules**

The AbbVie Directors accept responsibility for the information contained in this announcement relating to AbbVie and the AbbVie Directors and members of their immediate families, related trusts and persons connected with them, except for the statements made by Allergan in respect of AbbVie. To the best of the knowledge and belief of the AbbVie Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Allergan Directors accept responsibility for the information contained in this announcement relating to Allergan and the Allergan Directors and members of their immediate families, related trusts and persons connected with them, except for the statements made by AbbVie in respect of Allergan and the recommendation and related opinions of the Independent Allergan Directors. The Independent Allergan Directors accept responsibility for the recommendation and the related opinions of the Independent Allergan Directors contained in this announcement. To the best of the knowledge and belief of the Allergan Directors and the Independent Allergan Directors (who have taken all reasonable care to ensure such is the case), the information contained in this announcement for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Morgan Stanley & Co. LLC, acting through its affiliate Morgan Stanley & Co. International plc, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser to AbbVie and for no one else in relation to the matters referred to in this announcement. In connection with such matters, Morgan Stanley, its affiliates and its respective directors, officers, employees and agents will not regard any other person as their client, nor will it be responsible to anyone other than AbbVie for providing the protections afforded to their clients or for providing advice in connection with the matters described in this announcement or any matter referred to herein.

PJT Partners LP, a U.S. registered broker-dealer regulated by FINRA and a member of SIPC, is acting for AbbVie and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than AbbVie for providing advice in relation to the matters in this announcement. Neither PJT Partners LP nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PJT Partners LP in connection with this announcement, any statement contained herein or otherwise.

J.P. Morgan Securities LLC, which is a registered broker dealer with the SEC, is acting as financial adviser to Allergan in connection with the Acquisition. In connection with the Acquisition, J.P. Morgan Securities LLC and its directors, officers, employees and agents will not regard any other person as its client, nor will it be responsible to anyone other than Allergan for providing the protections afforded to clients of J.P. Morgan Securities LLC or for giving advice in connection with the Acquisition or any matter referred to herein.

## **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 (the “Irish Takeover Rules”), if any person is, or becomes, ‘interested’ (directly or indirectly) in, 1% or more of any class of ‘relevant securities’ of Allergan or AbbVie, all ‘dealings’ in any ‘relevant securities’ of Allergan or AbbVie (including by means of an option in respect of, or a derivative referenced to, any such ‘relevant securities’) must be publicly disclosed by not later than 3:30 pm (New York time) on the ‘business’ day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or on which the ‘offer period’ otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an ‘interest’ in ‘relevant securities’ of Allergan or AbbVie, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all ‘dealings’ in ‘relevant securities’ of Allergan by AbbVie or ‘relevant securities’ of AbbVie by Allergan, or by any party acting in concert with either of them, must also be disclosed by no later than 12 noon (New York time) on the ‘business’ day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose ‘relevant securities’ ‘dealings’ should be disclosed, can be found on the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

‘Interests in securities’ arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an ‘interest’ by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

## **No Profit Forecast / Asset Valuations**

No statement in this announcement is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for AbbVie or Allergan as appropriate. No statement in this announcement constitutes an asset valuation.

## **Publication on Website**

Pursuant to Rule 2.6(c) of the Irish Takeover Rules, this announcement will be available to AbbVie employees on AbbVie’s website [www.abbvie.com](http://www.abbvie.com) and Allergan employees on Allergan’s website [www.Allergan.com](http://www.Allergan.com). Neither the content of any such website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this announcement.

## **Right to Switch to a Takeover Offer**

AbbVie reserves the right, subject to the terms of the Transaction Agreement, to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, subject to the provisions of the Transaction Agreement and with the Panel’s consent. In such event, the Acquisition will be implemented on terms at least as favorable, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments (including an acceptance condition set at 80% of the shares to which such offer relates).

## **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, any figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

## **General**

Appendix I to this announcement contains further details of the sources of information and bases of calculations set out in this announcement; Appendix II to this announcement contains definitions of certain expressions used in this announcement; Appendix III to this announcement contains the Conditions of the Acquisition and the Scheme; Appendix IV to this announcement sets out the report from PricewaterhouseCoopers LLP in respect of certain merger benefit statements made in this announcement; Appendix V to this announcement contains the report from Morgan Stanley & Co. International plc, in respect of certain merger benefit statements made in this announcement and Appendix VI to this announcement sets out the Transaction Agreement.

The release, publication or distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions, including any Restricted Jurisdictions. Accordingly, copies of this announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdictions. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable Law, the companies involved in the Acquisition disclaim any responsibility or liability for the violations of any such restrictions by any person.

Any response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Documents or any document by which the Acquisition and the Scheme are made. Allergan Shareholders are advised to read carefully the formal documentation in relation to the proposed Acquisition once the Scheme Documents have been despatched.

This announcement has been prepared for the purpose of complying with the laws of Ireland and the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of Ireland.

## APPENDIX I

### SOURCES AND BASES OF INFORMATION

1. In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:
  - (a) The historical share prices are sourced from the New York Stock Exchange for both AbbVie and Allergan;
  - (b) The value of the whole of the existing issued share capital of AbbVie is based upon the entire issued ordinary share capital excluding treasury shares at June, 21 2019, namely 1,478,365,231 AbbVie Shares;
  - (c) The value of the whole of the existing issued share capital of Allergan is based upon the entire issued ordinary share capital excluding treasury shares at June, 21 2019, namely 327,823,649 Allergan Shares;
  - (d) References to the arrangements in place between AbbVie and Allergan regarding an expenses reimbursement agreement are sourced from the terms of the Expenses Reimbursement Agreement approved by the Panel;
  - (e) The entire issued and to be issued share capital (fully diluted share capital) of AbbVie is calculated on the basis of:
    - (i) the number of issued AbbVie Shares, as set out in paragraph (b) above; and
    - (ii) 10,591,251 in aggregate of issued AbbVie Restricted Stock Units (“RSUs”) and Performance Stock Units (“PSUs”); and
    - (iii) 6,848,750 AbbVie Options; and
    - (iv) all AbbVie Shares, RSUs and Options maintain vesting status and remain outstanding;
  - (f) The entire issued and to be issued share capital (fully diluted share capital) of Allergan is calculated on the basis of:
    - (i) the number of issued Allergan Shares, as set out in paragraph (c) above; and
    - (ii) 482,892 issued Allergan PSUs (calculated by reference to the number of Allergan Shares the Allergan PSUs are convertible into if target performance criteria are met); and
    - (iii) 2,861,395 issued Allergan RSU Awards; and
    - (iv) 6,342,839 Allergan Options; and
    - (v) full exercise of the outstanding options and vesting of outstanding Allergan RSU Awards and Allergan PSU Awards at target performance levels.
  - (g) Save where otherwise stated, financial and other information concerning AbbVie and Allergan has been extracted from published sources or from audited financial results of AbbVie and Allergan; and
  - (h) References to the arrangements in place between AbbVie and Allergan regarding a transaction agreement are sourced from the Transaction Agreement.

2. All references in this announcement:
- (a) to 2019 revenue of the combined company are based on revenue guidance for 2019 provided on recent earnings calls; and
  - (b) any reference to 2020 revenues are derived from an average of the following broker estimates:
    - (i) in relation to AbbVie and Humira revenues: Societe Generale, Atlantic Equities, SVB Leerink, Piper Jaffray, Wolfe Research, Morgan Stanley, BMO, Cowen and Credit Suisse; and
    - (ii) in relation to Allergan: JP Morgan, Credit Suisse, Guggenheim, RBC, Suntrust, Piper Jaffray, Wells Fargo, Citi, Leerink, Cantor, Cowen, Morgan Stanley.
3. The statement that the Acquisition is earnings accretive should not be interpreted to mean that the earnings per share in the current or any future period financial period will necessarily match or be greater than those for the relevant preceding financial period.
4. As at the close of business on June 21, 2019 (being the last practicable date prior to the release of this announcement), Morgan Stanley & Co. LLC, financial adviser to AbbVie and any person (other than an exempt principal trader or an exempt fund manager) controlling, controlled by, or under the same control as, Morgan Stanley & Co. LLC, was interested in, or held short positions in, the following Allergan securities:

Entity Name	Product	Quantity
Morgan Stanley Strategic Investments, Inc.	Common Stock	(2)*
Morgan Stanley AIP GP LP	Common Stock	1881
Morgan Stanley Finance LLC	OPTION	14,700
Morgan Stanley B.V.	OPTION	2,545
Morgan Stanley AIP GP LP	Common Stock	454
Morgan Stanley AIP GP LP	Common Stock	7,095
Morgan Stanley Strategic Investments, Inc.	Common Stock	(4)*

\*Represents a short position.

5. The bases of belief (including sources of information and assumptions made) that support the expected synergies and other cost reductions are set out in the following paragraphs. The estimate of synergies has been reported on in accordance with Rule 19.3(b)(ii) of the Irish Takeover Rules.
6. The expected sources of the estimated pre-tax synergies are:
- (a) optimizing the research and early stage portfolio, and reducing overlapping R&D resources;
  - (b) driving efficiencies in SG&A including sales and marketing, and central support function costs; and
  - (c) eliminating redundancies in manufacturing and supply chain, and leveraging procurement spend.
7. When evaluating potential annual pre-tax cost synergies and other cost reductions the AbbVie Board has assumed the following:
- (a) The cost bases for the quantification exercise are:

- (i) in respect of AbbVie, the four months actual cost base to 30 April 2019 plus eight months of the latest forecast cost base to 31 December 2019; and
  - (ii) in respect of Allergan, the three months actual cost base to 31 March 2019 plus nine months of the latest forecast cost base to 31 December 2019;
- (b) that the Scheme will become effective and AbbVie, through Acquirer Sub, will acquire 100% of the issued and to be issued share capital of Allergan on completion of the Acquisition;
  - (c) that there will be no material unanticipated impact on the combined company arising from any decisions made by competition authorities;
  - (d) that there will be no material change to the market dynamics affecting AbbVie and/or Allergan following completion of the Acquisition; and
  - (e) that there will be no material change to exchange rates following completion of the Acquisition.
8. In establishing the estimate of pre-tax synergies and other cost reductions the AbbVie Board has assumed that Allergan's operations, processes and procedures are comparable to those of AbbVie's related operations, except where publicly available information clearly indicates otherwise or the due diligence materials provided by Allergan to AbbVie indicated otherwise.
9. AbbVie's management, aided by its previous integration experience and through an understanding of Allergan's operations and cost structure based on their own market intelligence and experience, and due diligence materials provided by Allergan, has determined the source and scale of potential pre-tax synergies and other cost reductions. The pre-tax synergies and other cost reductions are incremental to AbbVie's and, to the best of AbbVie's knowledge, Allergan's existing plans.
10. In addition to information from AbbVie's and Allergan's respective management teams, the sources of information that AbbVie has used to arrive at the estimate of potential pre-tax synergies and other cost reductions include:
- (a) the Allergan annual report and accounts;
  - (b) Allergan presentations to analysts;
  - (c) Allergan's website;
  - (d) analysts' research;
  - (e) other public information;
  - (f) AbbVie's knowledge of the industry and of Allergan; and
  - (g) AbbVie's experience of synergies from previous transactions.
11. There remains an inherent risk in the synergy forward-looking statements. No synergy statement in this announcement, including any statement that the Acquisition will be accretive, should be construed as a profit forecast or interpreted to mean that AbbVie's earnings in the first full year following the Scheme, or in any subsequent period, would necessarily match or be greater than or be less than those of AbbVie and/or Allergan for the relevant preceding financial period or any other period.

**APPENDIX II**  
**DEFINITIONS**

The following definitions apply throughout this announcement unless the context otherwise requires:

“**AbbVie Board**” means the board of directors of AbbVie.

“**AbbVie Directors**” means the members of the AbbVie Board.

“**AbbVie Group**” means AbbVie and all of its subsidiaries.

“**AbbVie Material Adverse Effect**” has the meaning given to it in Section 1.1 of the Transaction Agreement.

“**AbbVie Options**” means means all options to purchase AbbVie Shares, whether granted pursuant to the AbbVie Share Plan or otherwise.

“**AbbVie Parties**” means, collectively, AbbVie and Acquirer Sub.

“**AbbVie Restricted Stock Units**” / “**RSUs**” means the restricted stock units of AbbVie.

“**AbbVie Share Plan**” means the AbbVie 2013 Stock Award and Incentive Plan.

“**AbbVie Shares**” means the common stock of AbbVie, par value \$0.01 per share.

“**AbbVie Shareholders**” means the holders of Abbvie Shares.

“**AbbVie**” means AbbVie Inc. a Delaware corporation

“**Acquirer Sub**” means Venice Subsidiary LLC, a Delaware limited liability company.

“**Acquisition**” means the proposed acquisition by Acquirer Sub of Allergan by means of the Scheme or the Takeover Offer (and any such Scheme or Takeover Offer as it may be revised, amended or extended from time to time), including the issuance by AbbVie of the aggregate Share Consideration and payment by Acquirer Sub of the aggregate Cash Consideration pursuant to the Scheme or the Takeover Offer, in each case, as described in this Rule 2.5 Announcement and provided for in the Transaction Agreement.

“**Act**” means the Companies Act 2014, all enactments which are to be read as one with, or construed or read together as one with the Act and every statutory modification and reenactment thereof for the time being in force.

“**Acting in Concert**” shall have the meaning given to that term in the Takeover Panel Act.

“**Allergan**” means Allergan an Irish public limited company with registered number 527629 having its registered office at Clonshaugh Business and Technology Park, Coolock, Dublin, D17 E400, Ireland.

“**Allergan Alternative Proposal**” means any *bona fide* proposal or offer (including non-binding proposals or offers) from any Person or Group, other than AbbVie and its Subsidiaries or any of its Concert Parties, relating to any (i) direct or indirect acquisition (whether in a single transaction or a series of related transactions) of assets of Allergan or any of its Subsidiaries (including equity securities of Subsidiaries) equal to twenty percent (20%) or more of the consolidated assets of Allergan, or to which twenty percent (20%) or more of the revenues or earnings of Allergan on a consolidated basis are attributable for the most recent fiscal year for which audited financial statements are then available, (ii) direct or indirect acquisition (including by scheme of arrangement or takeover offer) or issuance (whether in a single transaction or a series of related transactions) of twenty percent (20%) or more of any class of equity or voting securities of Allergan, (iii) scheme of arrangement, tender offer, takeover offer or exchange offer that, if consummated, would result in a Person or Group beneficially owning twenty percent (20%) or more of any class of

equity or voting securities of Allergan, or (iv) scheme of arrangement, merger, consolidation, share exchange, business combination, joint venture, reorganization, recapitalization or similar transaction involving Allergan or any of its Subsidiaries, under which a Person or Group or, in the case of clause (B) below, the shareholders or equityholders of any Person or Group would, directly or indirectly, (A) acquire assets equal to twenty percent (20%) or more of the consolidated assets of Allergan, or to which 20% or more of the revenues or earnings of Allergan on a consolidated basis are attributable for the most recent fiscal year for which audited financial statements are then available, or (B) immediately after giving effect to such transactions, beneficially own twenty percent (20%) or more of any class of equity or voting securities of Allergan or the surviving or resulting Person (including any parent Person) in such transaction.

“**Allergan Board**” means the board of directors of Allergan.

“**Allergan Change of Recommendation**” shall have the meaning given to that term in Section 5.3(a)(iii) of the Transaction Agreement.

“**Allergan Directors**” means the members of the board of directors of Allergan.

“**Allergan Equity Award Holder Proposal**” means the proposal of AbbVie to the Allergan Equity Award Holders to be made in accordance with Rule 15 of the Takeover Rules and the terms of the Allergan Share Plans.

“**Allergan Equity Awards**” means the Allergan Options, the Allergan Restricted Stock Awards, the Allergan RSU Awards, the Allergan PSU Awards and any other Allergan equity-based awards granted under a Allergan Share Plans or otherwise.

“**Allergan Group**” means Allergan and all of its subsidiaries.

“**Allergan Material Adverse Effect**” has the meaning given to it in Section 1.1 of the Transaction Agreement.

“**Allergan Options**” means all options to purchase Allergan Shares, whether granted pursuant to the Allergan Share Plans or otherwise.

“**Allergan PSUs**” means all Allergan RSU Awards with performance-based vesting or delivery requirements, whether granted pursuant to the Allergan Share Plans or otherwise.

“**Allergan Replacement Option**” an option granted under the AbbVie Share Plan that will be substituted for each Allergan Option.

“**Allergan Replacement Share Award**” an award granted under the AbbVie Share Plan that will be substituted for each Allergan Share Award.

“**Allergan Restricted Stock Awards**” means all awards of Allergan Shares subject to vesting restrictions and/or forfeiture back to Allergan, whether granted pursuant to the Allergan Share Plans or otherwise.

“**Allergan RSU Awards**” means all restricted stock units payable in Allergan Shares or whose value is determined with reference to the value of Allergan Shares, whether granted pursuant to the Allergan Share Plans or otherwise.

“**Allergan Share**” means the ordinary shares of Allergan, par value US\$0.0001 per share.

“**Allergan Shareholders**” means the holders of Allergan Shares.

“**Allergan Share Award**” means an award denominated in Allergan Shares (including Allergan Restricted Stock Awards, Allergan PSU Awards and Allergan RSU Awards), other than an Allergan Option.

“**Allergan Share Plans**” means, collectively, the Allergan, Inc. 2008 Equity Plan, the Forest Laboratories, LLC 2007 Equity Incentive Plan, the Amended and Restated Allergan 2011 Incentive Award Plan, the Amended and Restated

2013 Incentive Award Plan of Allergan, the Kythera Biopharmaceuticals, Inc. 2012 Equity Incentive Plan, the Warner Chilcott Equity Incentive Plan, the ZELTIQ Aesthetics, Inc. 2012 Stock Plan, and any other equity-based incentive plan maintained by Allergan or assumed by Allergan in connection with prior acquisitions.

“**Allergan Shareholder Approval**” means (i) the approval of the Scheme by a majority in number of members of each class of Allergan Shareholders (including as may be directed by the High Court pursuant to Section 450(5) of the Act) representing, at the relevant voting record time, at least seventy five percent (75%) in value of the Allergan Shares of that class held by Allergan Shareholders who are members of that class and that are present and voting either in person or by proxy, at the Court Meeting (or at any adjournment or postponement of such meeting) and (ii) the Required EGM Resolutions being duly passed by the requisite majorities of Allergan Shareholders at the EGM (or at any adjournment or postponement of such meeting).

“**Allergan Superior Proposal**” means any *bona fide*, written Allergan Alternative Proposal (other than an Allergan Alternative Proposal which has resulted from a breach in any material respect of Section 5.3 of the Transaction Agreement) (with all references to “twenty percent (20%)” in the definition of Allergan Alternative Proposal being deemed to be references to “fifty percent (50%)”) on terms that the Allergan Board determines in good faith, after consultation with its financial advisor and outside legal counsel, and taking into account all the terms and conditions of the Allergan Alternative Proposal that the Allergan Board considers to be appropriate (including the identity of the Person making the Allergan Alternative Proposal and the expected timing and likelihood of consummation, any governmental or other approval requirements (including divestitures and entry into other commitments and limitations), break-up fees, expense reimbursement provisions, conditions to consummation and availability of necessary financing), is more favorable to the Allergan Shareholders from a financial point of view than the Acquisition (taking into account any proposal by AbbVie to amend the terms of the Transaction Agreement).

“**Antitrust Laws**” means the Sherman Act of 1890, the Clayton Act of 1914, the Federal Trade Commission Act of 1914, the HSR Act and all other federal, state and foreign applicable Laws in effect from time to time that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

“**Cash Consideration**” means US\$120.30 in cash per Allergan Share (as it may be adjusted by the Exchange Ratio Modification Number) and any cash in lieu of fractions.

“**Clearances**” means all consents, clearances, approvals, permissions, license, variance, exemption, authorization, acknowledgement, permits, nonactions, Orders and waivers to be obtained from, and all registrations, applications, notices and filings to be made with or provided to, any Governmental Entity or other third party in connection with the implementation of the Scheme and/or the Acquisition.

“**Completion**” means the completion of the Acquisition.

“**Completion Date**” means the date of completion of the Acquisition.

“**Concert Parties**” means such Persons as are deemed to be Acting in Concert with AbbVie pursuant to Rule 3.3 of Part A of the Irish Takeover Rules.

“**Conditions**” means the conditions to the Scheme and the Acquisition set out in paragraphs 1, 2, 3, 4 and 5 of Appendix III of this Rule 2.5 Announcement, and “**Condition**” means any one of the Conditions.

“**Court Meeting**” means the meeting or meetings of the Allergan Shareholders or, if applicable, the meeting or meetings of any class or classes of Allergan Shareholders (and, in each case, any adjournment or postponement thereof) convened by (i) resolution of the Allergan Board or (ii) order of the High Court, in either case, pursuant to Section 450 of the Act to consider and, if thought fit, approve the Scheme (with or without amendment).

“**Court Meeting Resolution**” means the resolution to be proposed at the Court Meeting for the purposes of approving and implementing the Scheme.

“**Court Order**” means the Order or Orders of the High Court sanctioning the Scheme under Section 453 of the Act and confirming the reduction of capital that forms part of it under Sections 84 and 85 of the Act.

“**EC Merger Regulation**” means Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings.

“**Effective Date**” means the date on which the Scheme becomes effective in accordance with its terms or, if the Acquisition is implemented by way of a Takeover Offer, the date on which the Takeover Offer has become (or has been declared) unconditional in all respects in accordance with the provisions of the Takeover Offer Documents and the Takeover Rules.

“**Effective Time**” means the time on the Effective Date at which the Court Order and a copy of the minute required by Section 86 of the Act are registered by the Registrar of Companies or, if the Acquisition is implemented by way of a Takeover Offer, the time on the Effective Date at which the Takeover Offer becomes (or is declared) unconditional in all respects in accordance with the provisions of the Takeover Offer Documents and the Takeover Rules.

“**EGM**” means the extraordinary general meeting of the Allergan Shareholders (and any adjournment or postponement thereof) to be convened in connection with the Scheme, expected to be held as soon as the preceding Court Meeting shall have been concluded (it being understood that if the Court Meeting is adjourned or postponed, the EGM shall be correspondingly adjourned or postponed).

“**End Date**” means June 25, 2020; provided, that if as of such date any of Conditions 3(ii), 3(iii), 3(iv) or 3(v) (with respect to Condition 3(v), only if the failure of such Condition to have been satisfied as of such date is an Order or Law under any Antitrust Law) have not been satisfied, and on such date all other Conditions (other than Conditions 2(iii) and 2(iv)) have been satisfied (or, in the sole discretion of the applicable Party, waived (where applicable)) or would be satisfied (or, in the sole discretion of the applicable Party, waived (where applicable)) if the Acquisition were completed on such date, the “End Date” shall be September 25, 2020.

“**Equity Award Conversion Ratio**” means the sum, rounded to the nearest one thousandth, of (a) the Exchange Ratio and (b) the quotient obtained by dividing (i) the Cash Consideration by (ii) the volume weighted average price of an AbbVie Share for a ten trading day period, starting with the opening of trading on the eleventh trading day prior to the Completion Date to the closing of trading on the second to last trading day prior to the Completion Date, as reported by Bloomberg.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Exchange Ratio**” means 0.8660 AbbVie Shares per Allergan Share.

“**Exchange Ratio Modification Number**” means the provision that, under the terms of the Transaction Agreement, if the Acquisition would otherwise result in the issuance of AbbVie Shares in excess of 19.99% of the AbbVie Shares outstanding immediately prior to the Completion Date (the “**Share Cap**”), the Exchange Ratio shall be reduced by the smallest number (rounded to the nearest 0.0001) that causes the total number of AbbVie Shares issuable in the Acquisition to not exceed the Share Cap (the “**Revised Exchange Ratio Number**”), and the Cash Consideration shall be increased by an amount in cash equal to (x) the Revised Exchange Ratio Number multiplied by (y) the VWAP of the AbbVie Shares.

“**Expenses Reimbursement Agreement**” means the expenses reimbursement agreement dated June 25, 2019 between AbbVie and Allergan, the terms of which have been approved by the Panel.

“**Fractional Entitlements**” means fractions of AbbVie Shares.

“**Governmental Entity**” means any United States, Irish or other foreign or supranational, federal, state or local governmental commission, board, body, division, political subdivision, bureau or other regulatory authority or agency, including courts and other judicial bodies, or any competition, antitrust or supervisory body, central bank, public international organization or other governmental, trade or regulatory agency or body, securities exchange or any self-

regulatory body or authority, including any instrumentality or entity designed to act for or on behalf of the foregoing, in each case, in any jurisdiction, including, the Panel, the High Court, the SEC, and each Allergan Regulatory Agency.

“**HSR Act**” means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976.

“**Independent Allergan Directors**” means the Allergan Directors, excluding Thomas C. Freyman.

“**Irish High Court**” or “**High Court**” means the High Court of Ireland.

“**Irish Takeover Rules**” or “**Takeover Rules**” means the Irish Takeover Panel Act, 1997, Takeover Rules 2013.

“**Law**” means any federal, state, local, foreign or supranational law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, executive order or agency requirement of any Governmental Entity.

“**Morgan Stanley**” means Morgan Stanley & Co. LLC, Morgan Stanley & Co. International plc and each of their affiliates.

“**NYSE**” means the New York Stock Exchange.

“**Order**” means any order, writ, decree, judgment, award, injunction, ruling, settlement or stipulation issued, promulgated, made, rendered or entered into by or with any Governmental Entity or arbitrator (in each case, whether temporary, preliminary or permanent).

“**Panel**” or “**Irish Takeover Panel**” means the Irish Takeover Panel.

“**Parties**” means Allergan and the AbbVie Parties and “**Party**” shall mean either Allergan, on the one hand, or AbbVie or the AbbVie Parties (whether individually or collectively), on the other hand (as the context requires).

“**Person**” means any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality of such government or political subdivision.

“**Proxy Statement**” means a proxy statement to be sent to the Allergan Shareholders in connection with the matters to be submitted at the Court Meeting and the EGM.

“**Registrar of Companies**” or “**Irish Registrar of Companies**” means the Registrar of Companies in Dublin, Ireland.

“**Required Antitrust Jurisdiction**” means U.S., European Union, China, Brazil, Canada, Israel, Mexico, Japan, South Africa, South Korea, Turkey and the United Kingdom (only in the event of any exit by the United Kingdom from, or suspension or termination of its membership in, the European Union such that a United Kingdom Governmental Entity has jurisdiction under any Antitrust Law to review the transactions contemplated by the Transaction Agreement).

“**Required EGM Resolutions**” mean, collectively, the following resolutions to be proposed at the EGM: (i) an ordinary resolution to approve the Scheme and to authorize the Allergan Board to take all such action as it considers necessary or appropriate to implement the Scheme; (ii) a special resolution to cancel, subject to the approval of the High Court, the issued share capital of Allergan (other than any Allergan Shares held by any member of the AbbVie Group); (iii) an ordinary resolution authorizing the Allergan Board to allot new ordinary shares to Acquirer Sub pursuant to the Transaction Agreement and the Scheme by capitalization of the reserve arising from the cancellation of the issued share capital of Allergan pursuant to the resolution described in clause (ii) and (iv) a special resolution amending the Allergan memorandum and articles of association.

“**Restricted Jurisdictions**” means the jurisdictions in which the release, publication or distribution of this announcement may be restricted by the laws of those jurisdictions.

“**Rule 2.5 Announcement**” means this announcement issued pursuant to Rule 2.5 of the Irish Takeover Rules.

“**Sanction Date**” means the date on which the Condition in paragraph 2(iii) is satisfied.

“**Scheme Consideration**” means 0.8660 (as it may be adjusted by the Exchange Ratio Modification Number) of an AbbVie Share plus US\$120.30 in cash per Allergan Share (as it may be adjusted by the Exchange Ratio Modification Number) and any cash in lieu of fractions.

“**Scheme Document**” means a document (or relevant sections of the Proxy Statement comprising the Scheme Document) (including any amendments or supplements thereto) to be distributed to Allergan Shareholders and, for information only, to Allergan Equity Award Holders containing (i) the Scheme, (ii) the notice or notices of the Court Meeting and EGM, (iii) an explanatory statement as required by Section 452 of the Act with respect to the Scheme, (iv) such other information as may be required or necessary pursuant to the Act, the Exchange Act or the Takeover Rules and (v) such other information as Allergan and AbbVie shall agree.

“**Scheme**” means the proposed scheme of arrangement under Chapter 1 of Part 9 of the Act and the capital reduction under Sections 84 and 85 of the Act to effect the Acquisition pursuant to the Transaction Agreement, on such terms and in such form as is consistent with the terms agreed to by the Parties as set out in this Rule 2.5 Announcement, including any revision thereof as may be agreed between the Parties in writing, and, if required, by the High Court.

“**SEC**” means the United States Securities and Exchange Commission.

“**Share Consideration**” means 0.8660 (as it may be adjusted pursuant to the Exchange Ratio Modification Number) of an AbbVie Share.

“**Takeover Offer**” means an offer in accordance with Section 3.6 of the Transaction Agreement for the entire issued share capital of Allergan (other than any Allergan Shares beneficially owned by AbbVie or any member of the AbbVie Group (if any) and any Allergan Shares held by any member of the Allergan Group) including any amendment or revision thereto pursuant to the Transaction Agreement, the full terms of which would be set out in the Takeover Offer Document or (as the case may be) any revised offer documents.

“**Takeover Offer Document**” means, if, following the date of the Transaction Agreement, AbbVie elects to implement the Acquisition by way of the Takeover Offer in accordance with Section 3.6 of the Transaction Agreement, the document to be despatched to Allergan Shareholders and others jointly by AbbVie and Acquirer Sub containing, among other things, the Takeover Offer, the Conditions (except as AbbVie determines pursuant to and in accordance with Section 3.6 of the Transaction Agreement not to be appropriate in the case of a Takeover Offer) and certain information about AbbVie, Acquirer Sub and Allergan and, where the context so requires, includes any form of acceptance, election, notice or other document reasonably required in connection with the Takeover Offer.

“**Takeover Panel Act**” means the Irish Takeover Panel Act 1997.

“**Takeover Rules**” means the Irish Takeover Panel Act 1997, Takeover Rules, 2013.

“**Transaction Agreement**” means the Transaction Agreement dated June 25, 2019 by and among AbbVie, Acquirer Sub and Allergan.

“**VWAP of AbbVie Shares**” means the volume weighted average price of an AbbVie Share for a ten trading day period, starting with the opening of trading on the eleventh trading day prior to the Completion Date to the closing of trading on the second to last trading day prior to the Completion Date, as reported by Bloomberg.

References to “dollars” and “\$” means U.S. dollars.

References to any applicable Law shall be deemed to refer to such applicable Law as amended from time to time and to any rules or regulations promulgated thereunder.

Any singular term shall be deemed to include the plural, and any plural term the singular, and references to any gender shall include all genders.

## APPENDIX III

### CONDITIONS OF THE ACQUISITION AND THE SCHEME

The Acquisition and the Scheme will comply with the Takeover Rules and, where relevant, the rules and regulations of the Exchange Act, the Act and the NYSE, and are subject to the terms and conditions set out in this Announcement and to be set out in the Scheme Document. The Acquisition and the Scheme are, to the extent required by the Laws of Ireland, governed by the Laws of Ireland.

The Acquisition and the Scheme will be subject to the conditions set out in this Appendix III.

1. The Acquisition will be conditional upon the Scheme becoming effective and unconditional by not later than the End Date (or such earlier date as may be specified by the Panel, or such later date as AbbVie and Allergan may, subject to receiving the consent of the Panel and the High Court, in each case if required, agree).
2. The Scheme will be conditional upon:
  - (i) the Scheme having been approved by a majority in number of members of each class of Allergan Shareholders (including as may be directed by the High Court pursuant to Section 450(5) of the Act) present and voting either in person or by proxy at the Court Meeting (or at any adjournment or postponement of such meeting) representing, at the Voting Record Time, at least 75% in value of the Allergan Shares of that class held by such Allergan Shareholders present and voting;
  - (ii) each of the Required EGM Resolutions having been duly passed by the requisite majority of Allergan Shareholders at the EGM (or at any adjournment or postponement of such meeting);
  - (iii) the High Court having sanctioned (without material modification) the Scheme pursuant to Sections 449 to 455 of the Act and the High Court having confirmed the related reduction of capital involved therein (the date on which the condition in this paragraph 2(iii) is satisfied, the “**Sanction Date**”); and
  - (iv) copies of the Court Order and the minute required by Section 86 of the Act in respect of the reduction of capital (referred to in paragraph 2(iii)) having been delivered for registration to the Registrar of Companies and the Court Order and such minute having been registered by the Registrar of Companies.
3. The AbbVie Parties and Allergan have agreed that, subject to paragraph 6, the Scheme and the Acquisition will also be conditional upon the following matters having been satisfied or waived on or before the Sanction Date:
  - (i) the NYSE having approved, and not withdrawn such approval, the listing of all of the Share Consideration to be issued in the Acquisition, subject only to official notice of issuance;
  - (ii) the applicable waiting periods under the HSR Act in connection with the Acquisition having expired or been earlier terminated, and, to the extent applicable, any agreement between Allergan and the AbbVie Parties, on the one hand, and the Federal Trade Commission or the Antitrust Division of the United States Department of Justice, on the other hand, not to consummate the Scheme or the Acquisition having expired or been earlier terminated;
  - (iii)
    - (a) to the extent that the Acquisition constitutes a concentration within the scope of Council Regulation (EC) No. 139/2004 (the “**EC Merger Regulation**”) or otherwise constitutes a concentration that is subject to the EC Merger Regulation, the European Commission having decided to allow closing of the Acquisition;

- (b) the extent that all or part of the Acquisition is referred by the European Commission to the relevant Governmental Entity of one or more member countries of the European Economic Area, such relevant Governmental Entity(ies) (in the case of a partial referral in conjunction with a final decision of the European Commission) having issued a final decision or decisions which satisfies (or together satisfy) Condition 3(iii)(a) above (that clause being interpreted *mutandis mutatis*);
- (iv) all required Clearances of any Governmental Entity having been obtained and remaining in full force and effect and all applicable waiting periods having expired, lapsed or been terminated (as appropriate), in each case in connection with the Acquisition, under the Antitrust Laws of each Required Antitrust Jurisdiction;
- (v) (a) no order, writ, decree, judgment, or injunction (whether temporary or permanent) shall have been issued, promulgated, made, rendered or entered into by any court or other tribunal of competent jurisdiction, and (b) no Law other than an order, writ, decree, judgment, or injunction described in clause (a) (excluding, for purposes of this clause (b), any such Antitrust Law of any jurisdiction that is not a Required Antitrust Jurisdiction) in any jurisdiction of competent authority, shall have been enacted, issued, promulgated, enforced or entered and continue in effect and, in the case of each of clauses (a) and (b), restrain, enjoin, make illegal or otherwise prohibit the consummation of the Acquisition; and
- (vi) the Transaction Agreement not having been terminated in accordance with its terms by the applicable Party or Parties as set forth below as a consequence of an event set forth below (such events being the events set out in the Transaction Agreement following the occurrence of which the Transaction Agreement may be terminated in accordance with its terms):
- (a) termination by either Allergan or AbbVie if the Court Meeting or the EGM shall have been completed and the Court Meeting Resolution or the Required EGM Resolutions, as applicable, shall not have been approved by the requisite majorities;
- (b) termination by either Allergan or AbbVie if the Effective Time shall not have occurred by 5:00 p.m., New York City time, on the End Date, provided, that such right to terminate the Transaction Agreement shall not be available to a Party whose breach of any provision of the Transaction Agreement shall have been the primary cause of the failure of the Effective Time to have occurred by such time;
- (c) termination by either Allergan or AbbVie if the High Court shall decline or refuse to sanction the Scheme, unless both Parties agree in writing that the decision of the High Court shall be appealed (it being agreed that Allergan shall make such an appeal if requested to do so in writing by AbbVie and the counsel appointed by AbbVie and by Allergan agree that doing so is a reasonable course of action);
- (d) termination by either Allergan or AbbVie if there shall be in effect any (x) Law other than an order, writ, decree, judgment, or injunction described in clause (y) (whether or not final or appealable) (excluding any such Antitrust Law of any jurisdiction that is not a Required Antitrust Jurisdiction) in any jurisdiction of competent authority or (y) final and non-appealable order, writ, decree, judgment, or injunction issued, promulgated, made, rendered or entered into by any court or other tribunal of competent jurisdiction, that, in the case of each of clauses (x) and (y), permanently restrains, enjoins, makes illegal or otherwise prohibits the consummation of the Acquisition; provided that such right to terminate the Transaction Agreement shall not be available to any Party whose breach of any provision of the Transaction Agreement shall have been the primary cause of such Law, order, writ, decree, judgment, or injunction;
- (e) termination by Allergan if any AbbVie Party shall have breached or failed to perform in any material respect any of its covenants or other agreements contained in the Transaction

Agreement or if any of its representations or warranties set forth in the Transaction Agreement are inaccurate, which breach, failure to perform or inaccuracy (1) would result in a failure of Condition 5(ii) or 5(iii) and (2) is not reasonably capable of being cured by the End Date or, if curable, is not cured by the earlier of (x) the End Date and (y) 30 days following written notice by Allergan thereof;

- (f) termination by Allergan prior to obtaining the Allergan Shareholder Approval if (1) in accordance with Section 5.3 of the Transaction Agreement, the Allergan Board shall have authorized Allergan to terminate the Transaction Agreement in response to an Allergan Superior Proposal and (2) substantially concurrently with such termination, a definitive agreement providing for the consummation of such Allergan Superior Proposal is duly executed and delivered by all parties thereto and, prior to or substantially concurrently with such termination, Allergan pays AbbVie any amounts due under the Expenses Reimbursement Agreement (it being understood that, without limiting Allergan's obligations under the Expenses Reimbursement Agreement, only such costs and expenses for which AbbVie shall have submitted to Allergan in writing a request for such amounts and written invoices or written documentation supporting such request prior to such termination in accordance with the Expenses Reimbursement Agreement shall be due substantially concurrently with such termination);
- (g) termination by AbbVie if Allergan shall have breached or failed to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement or if any of its representations or warranties set forth in the Transaction Agreement are inaccurate, which breach, failure to perform or inaccuracy (1) would result in a failure of Condition 4(ii) or 4(iii) and (2) is not reasonably capable of being cured by the End Date or, if curable, is not cured by the earlier of (x) the End Date and (y) 30 days following written notice by AbbVie thereof;
- (h) termination by AbbVie if, prior to the receipt of the Allergan Shareholder Approval an Allergan Change of Recommendation shall have occurred; or
- (j) termination by mutual written consent of Allergan and AbbVie.

4. The AbbVie Parties and Allergan have agreed that, subject to paragraph 6, the AbbVie Parties' obligation to effect the Scheme and the Acquisition will also be conditional upon the following matters having been satisfied (or, to the extent permitted by applicable Law, waived by AbbVie) on or before the Sanction Date:

- (i) from June 25, 2019 (being the date of this Announcement) to the Sanction Date, there having not been any event, change, effect, development or occurrence that has had, or would reasonably be expected to have, individually or in the aggregate, an Allergan Material Adverse Effect;
- (ii) (a) the representation and warranty of Allergan set forth in Section 6.1(A)(k)(ii) (*Absence of Certain Changes or Events*) of the Transaction Agreement having been true and correct in all respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date, (b) each of the representations and warranties of Allergan set forth in Sections 6.1(A)(c)(i) (*Capitalization*), 6.1(A)(d)(i) (*Corporate Authority Relative to the Agreement*), 6.1(A)(s) (*Required Vote of Allergan Shareholders*), 6.1(A)(v) (*Opinion of Financial Advisor*), 6.1(A)(w) (*Finders or Brokers*) and 6.1(A)(y) (*Takeover Statutes*) of the Transaction Agreement having been true and correct (read for the purpose of this paragraph 4(ii)(b) without any qualification as to materiality or Allergan Material Adverse Effect therein) in all material respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall have been true and correct in all material respects as of such particular date), and (c) each of the representations and warranties of Allergan set forth in Section 6.1(A) of the Transaction Agreement (other than those specifically listed in paragraphs 4(ii)(a) or

4(ii)(b)) having been true and correct (read for purposes of this paragraph 4(ii)(c) without any qualification as to materiality or Allergan Material Adverse Effect therein) in all respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall have been true and correct as of such particular date), except for such failures to be true and correct as have not had and would not reasonably be expected to have, individually or in the aggregate, an Allergan Material Adverse Effect;

- (iii) Allergan having performed and complied, in all material respects, with all of the covenants and agreements that the Transaction Agreement requires Allergan to perform or comply with prior to the Sanction Date; and
- (iv) AbbVie having received a certificate from an executive officer of Allergan confirming the satisfaction of the conditions set forth in paragraphs 4(ii) and 4(iii).

5. The AbbVie Parties and Allergan have agreed that, subject to paragraph 6, Allergan's obligation to effect the Scheme and the Acquisition will also be conditional upon the following matters having been satisfied (or, to the extent permitted by applicable Law, waived by Allergan) on or before the Sanction Date:

- (i) from June 25, 2019 (being the date of this Announcement) to the Sanction Date, there having not been any event, change, effect, development or occurrence that has had, or would reasonably be expected to have, individually or in the aggregate, an AbbVie Material Adverse Effect;
- (ii) (a) the representation and warranty of AbbVie set forth in Section 6.2(A)(h) (*Absence of Certain Changes or Events*) of the Transaction Agreement having been true and correct in all respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date, (b) each of the representations and warranties of AbbVie set forth in Sections 6.2(A)(b)(i) (*Capital Stock*) and 6.2(A)(c)(i) (*Corporate Authority Relative to the Agreement*) of the Transaction Agreement having been true and correct in all material respects (read for the purpose of this paragraph 5(ii)(b) without any qualification as to materiality or AbbVie Material Adverse Effect therein) at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall have been true and correct in all material respects as of such particular date), and (c) each of the representations and warranties of AbbVie set forth in Section 6.2(A) of the Transaction Agreement (other than those specifically listed in paragraphs 5(ii)(a) or 5(ii)(b)) having been true and correct (read for purposes of this paragraph 5(ii)(c) without any qualification as to materiality or AbbVie Material Adverse Effect therein) in all respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall have been true and correct in all respects as of such particular date), except for such failures to be true and correct as have not had and would not reasonably be expected to have, individually or in the aggregate, an AbbVie Material Adverse Effect;
- (iii) the AbbVie Parties having performed and complied, in all material respects, with all of the covenants and agreements that the Transaction Agreement requires either of the AbbVie Parties to perform or comply with prior to the Sanction Date; and
- (iv) Allergan having received a certificate from an executive officer of AbbVie confirming the satisfaction of the conditions set forth in paragraphs 5(ii) and 5(iii).

6. Subject to the requirements of the Panel:

- (i) AbbVie and Allergan reserve the right (but neither Party shall be under any obligation) to waive (to the extent permitted by applicable Law), in whole or in part, all or any of the conditions in paragraph 3 (provided that no such waiver shall be effective unless agreed to by both Parties);
  - (ii) AbbVie reserves the right (but shall be under no obligation) to waive (to the extent permitted by applicable Law), in whole or in part, all or any of the conditions in paragraph 4; and
  - (iii) Allergan reserves the right (but shall be under no obligation) to waive (to the extent permitted by applicable Law), in whole or in part, all or any of the conditions in paragraph 5.
7. The Scheme will lapse unless it is effective on or prior to the End Date (or such later date as AbbVie and Allergan may, subject to receiving the consent of the Panel and the High Court, in each case if required, agree).
  8. If AbbVie is required to make an offer for Allergan Shares under the provisions of Rule 9 of the Takeover Rules, AbbVie may make such alterations to any of the Conditions set out in paragraphs 1, 2, 3, 4 and 5 above as are necessary to comply with the provisions of that rule.
  9. AbbVie reserves the right, subject to the prior written consent of the Panel, to effect the Acquisition by way of a Takeover Offer in the circumstances described in and subject to the terms of Section 3.6 of the Transaction Agreement. Without limiting Section 3.6 of the Transaction Agreement, in the event the Acquisition is structured as a Takeover Offer, such offer will be implemented on terms and conditions that are at least as favorable to the Allergan Shareholders and the holders of Allergan Options and Allergan Share Awards as those which would apply in relation to the Scheme (except for an acceptance condition set at 80% of the nominal value of the Allergan Shares to which such an offer relates (and which are not already in the beneficial ownership of AbbVie)).

## APPENDIX IV

### Report of PricewaterhouseCoopers LLP pursuant to Rule 19.3(b)(ii) of the Irish Takeover Rules



The Directors (the “**Directors**”)  
AbbVie Inc.  
1 North Waukegan Road  
North Chicago, IL 60064  
United States

Morgan Stanley & Co International plc (the “**Financial Adviser**”)  
25 Cabot Square  
Canary Wharf  
London  
E14 4QA  
U.K.

25 June 2019

Dear Ladies and Gentlemen

#### **Merger Benefit Statement by AbbVie Inc. (the “Company”)**

We report on the “**Merger Benefit Statement**” by the Directors included in Section 7 of the Rule 2.5 Announcement dated 25 June 2019 (the “**Announcement**”) to the effect that:

*“AbbVie anticipates that the Acquisition will provide annual pre-tax synergies and other cost reductions of at least \$2 billion in year three while leaving investments in key growth franchises untouched. The synergies and other cost reductions will be a result of optimizing the research and early stage portfolio, and reducing overlapping R&D resources (~50%), driving efficiencies in SG&A, including sales and marketing and central support function costs (~40%), and eliminating redundancies in manufacturing and supply chain, and leveraging procurement spend (~10%). The synergies estimate excludes any potential revenue synergies.”*

The Merger Benefit Statement has been made in the context of disclosure in Section 7 of the Announcement setting out the bases of belief of the Directors supporting the Merger Benefit Statement and their analysis and explanation of the underlying constituent elements.

This report is required by Rule 19.3(b)(ii) of the Irish Takeover Panel Act 1997, Takeover Rules, 2013 (the “**Rules**”) and is given for the purpose of complying with that rule and for no other purpose.

#### **Responsibilities**

It is the responsibility of the Directors to make the Merger Benefit Statement in accordance with the Code.

It is our responsibility and that of the Financial Adviser to form our respective opinions as required by Rule 19.3(b)(ii) of the Rules, as to whether the Merger Benefit Statement has been made with due and careful consideration.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under Rule 19.3(b)(ii) of the Rules to any person as and to the extent therein provided, to

the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 19.3(b)(ii) of the Rules, consenting to its inclusion in the Announcement.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. We have discussed the Merger Benefit Statement together with the relevant bases of belief (including sources of information and assumptions) with the Directors and with the Financial Adviser. Our work did not involve any independent examination of any of the financial or other information underlying the Merger Benefit Statement.

Since the Merger Benefit Statement and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual Benefit achieved will correspond to those anticipated in the Merger Benefit Statement and the differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, on the basis of the foregoing, the Directors have made the Merger Benefit Statement, in the form and context in which it is made, with due care and consideration.

Yours sincerely

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH  
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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

## APPENDIX V

### Report of Morgan Stanley & Co. International plc pursuant to Rule 19.3(b)(ii) of the Irish Takeover Rules

The Directors  
AbbVie Inc  
1 N. Waukegan Road North Chicago,  
Illinois 60064

25 June 2019

Dear Sirs

#### **Proposed acquisition of Allergan plc (“Allergan”) by AbbVie Inc. (“AbbVie”)**

We refer to the statements of estimated cost synergies, the bases of preparation thereof and the notes thereto (together the “**Statements**”) made by AbbVie set out in this announcement dated 25 June 2019, for which the directors of AbbVie are solely responsible.

We have discussed the Statements (including the assumptions and sources of information referred to therein) with the directors of AbbVie and those officers and employees of AbbVie who have developed the underlying plans.

The Statements are subject to uncertainty as described in this document and our work did not involve any independent examination of any of the financial or other information underlying the Statements.

We have relied upon the accuracy and completeness of all the financial and other information discussed or reviewed by us and we have assumed such accuracy and completeness for the purposes of rendering this letter. In giving the confirmation set out in this letter, we have reviewed the work carried out by PricewaterhouseCoopers LLP, and have discussed with them the conclusions stated in their report dated 25 June 2019 addressed to yourselves and ourselves in this matter.

We do not express any opinion as to the achievability of the merger benefits identified by the directors of AbbVie in the Statements.

This letter is provided solely to the directors of AbbVie in connection with Rule 19.3(b)(ii) of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 and for no other purpose. We accept no responsibility to Allergan or its or AbbVie’s shareholders or any other person, other than the directors of AbbVie in respect of the contents of, or any matter arising out of or in connection with, this letter or the work undertaken in connection with this letter.

On the basis of the foregoing, we consider that the Statements, for which the directors of AbbVie are solely responsible, have been made with due care and consideration in the form and context in which they are made.

Yours faithfully

/s/ David Kitterick

**Authorised Signatory  
For and on behalf of  
Morgan Stanley & Co. International plc**

**APPENDIX VI**

**The Transaction Agreement**