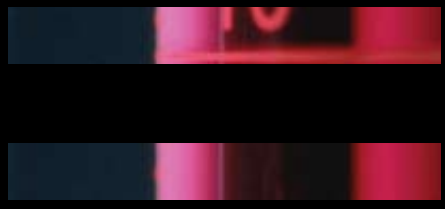
$(R+Dx6)^{>100}$



ALLERGAN

Our pursuit. Life's potential.™

ANNUAL REPORT 2008

sustainable growth

Scientific strength. A business model that balances diverse specialties with a focused approach. And a leadership presence in markets around the globe. Each is essential to defining Allergan's success. Added together, they form the foundation of our Growth Equation.

In today's challenging health care environment, these are the factors contributing to Allergan's stability, competitive differentiation and long-term value. As we move forward, we are continuing to pave the way for growth through the steadfast execution of our strategy. We are vigorously investing in our ability to pursue potential to new frontiers. We are reaching deeper in our areas of specialty focus to bring groundbreaking new products to market. We are expanding our sales presence in emerging markets. And we are working harder to enable patients around the world to live life to its greatest potential.

In millions, except per share data	2008	Year Ended December 31, 2007	2006	2005	2004
STATEMENT OF OPERATIONS HIGHLIGHTS					
(As reported under U.S. GAAP)					
Product net sales	**$4,339.7**	$3,879.0	$3,010.1	$2,319.2	$2,045.6
Total revenues	**4,403.4**	3,938.9	3,063.3	2,342.6	2,058.9
Research and development	**797.9**	718.1	1,055.5	388.3	342.9
Earnings (loss) from continuing operations	**578.6**	501.0	(127.4)	403.9	377.1
Loss from discontinued operations	**—**	(1.7)	—	—	—
Net earnings (loss)	**$ 578.6**	$ 499.3	$ (127.4)	$ 403.9	$ 377.1
Basic earnings (loss) per share:					
Continuing operations	**$ 1.90**	$ 1.64	$ (0.43)	$ 1.54	$ 1.44
Discontinued operations	**—**	—	—	—	—
Diluted earnings (loss) per share:					
Continuing operations	**1.89**	1.62	(0.43)	1.51	1.41
Discontinued operations	**—**	—	—	—	—
Dividends per share	**0.20**	0.20	0.20	0.20	0.18
ADJUSTED AMOUNTS[a]					
Adjusted earnings from continuing operations	**$ 786.5**	$ 672.9	$ 547.2	$ 453.3	$ 368.8
Adjusted basic earnings per share:					
Continuing operations	**$ 2.59**	$ 2.21	$ 1.86	$ 1.73	$ 1.40
Adjusted diluted earnings per share:					
Continuing operations	**2.57**	2.18	1.83	1.69	1.38
NET SALES BY PRODUCT LINE					
Specialty Pharmaceuticals:					
Eye Care Pharmaceuticals	**$2,009.1**	$1,776.5	$1,530.6	$1,321.7	$1,137.1
BOTOX®/Neuromodulator	**1,310.9**	1,211.8	982.2	830.9	705.1
Skin Care	**113.7**	110.7	125.7	120.2	103.4
Urologics	**68.6**	6.0	—	—	—
Subtotal pharmaceuticals	**3,502.3**	3,105.0	2,638.5	2,272.8	1,945.6
Other (primarily contract sales)	**—**	—	—	46.4	100.0
Total specialty pharmaceuticals	**3,502.3**	3,105.0	2,638.5	2,319.2	2,045.6
Medical Devices:					
Breast Aesthetics	**310.0**	298.4	177.2	—	—
Obesity Intervention	**296.0**	270.1	142.3	—	—
Facial Aesthetics	**231.4**	202.8	52.1	—	—
Core medical devices	**837.4**	771.3	371.6	—	—
Other	**—**	2.7	—	—	—
Total medical devices	**837.4**	774.0	371.6	—	—
Total product net sales	**$4,339.7**	$3,879.0	$3,010.1	$2,319.2	$2,045.6
PRODUCT SOLD BY LOCATION					
Domestic	**64.6%**	65.7%	67.4%	67.5%	69.1%
International	**35.4%**	34.3%	32.6%	32.5%	30.9%

(a) The adjusted amounts in 2008 exclude a $2.4 million U.S. state and federal deferred tax benefit related to the legal entity integration of the acquisitions of Esprit Pharma Holding Company, Inc. (Esprit) and Inamed Corporation (Inamed); a $3.8 million negative tax impact from non-deductible losses associated with the liquidation of corporate-owned life insurance contracts and the after-tax effects of the following: 1) $129.6 million amortization of acquired intangible assets related to business combinations and asset acquisitions; 2) $68.7 million for upfront payments for technologies that have not achieved regulatory approval; 3) $27.2 million restructuring charge and $10.0 million of termination benefits, asset impairments and accelerated depreciation costs related to the phased closure of the Arklow, Ireland, breast implant manufacturing plant; 4) $3.4 million restructuring charge and $0.9 million gain on sale of technology and fixed assets related to the phased closure of the Fremont, California, collagen manufacturing plant; 5) $6.6 million of restructuring charges and $1.5 million of integration and transition costs related to the acquisition of Groupe Cornéal Laboratoires (Cornéal); 6) $4.1 million of restructuring charges related to the streamlining of the Company's European operations and the acquisition of Endokel SA (Endokel); 7) $11.7 million rollout of fair market value inventory adjustment and $0.7 million of integration and transition costs related to the acquisition of Esprit; 8) $25.7 million of external costs associated with responding to the U.S. Department of Justice subpoena; 9) $13.2 million settlement related to the termination of a distribution agreement in Korea; 10) $5.6 million impairment of intangible asset related to the phase-out of a collagen product; 11) $10.6 million of transaction costs related to ACZONE®; and 12) $14.8 million unrealized gain on derivative instruments.

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

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

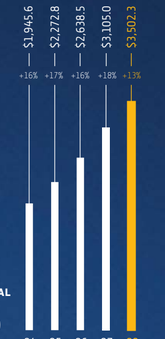
The adjusted amounts in 2005 exclude income taxes of $49.6 million related to the repatriation of foreign earnings that had been previously permanently reinvested outside the United States, income tax benefits of $24.1 million related to the resolution of uncertain tax positions and an additional benefit for state income taxes of $1.4 million, and the after-tax effects of the following: 1) $28.8 million restructuring charge and $5.6 million of transition/duplicate operating costs related to the streamlining of the Company's European operations; 2) $12.9 million restructuring charge related to the scheduled termination of the Company's manufacturing and supply agreement with Advanced Medical Optics; 3) $7.9 million gain on the sale of a distribution business in India; 4) $7.3 million reduction in interest expense related to the resolution of uncertain income tax positions and $2.1 million of interest income related to previously paid state income taxes; 5) $53.7 million gain on the sale of assets previously used in contract manufacturing activities; 6) $2.3 million restructuring charge related to the streamlining of the Company's operations in Japan; 7) $0.6 million gain on the sale of a former manufacturing plant in Argentina; 8) $0.8 million gain on the sale of a third party equity investment; 9) $3.6 million gain on the termination of the *Vitrose* collaboration agreement with ISTA Pharmaceuticals; 10) $3.0 million buy-out of a license agreement with Johns Hopkins University; 11) $0.4 million in costs related to the acquisition of Inamed; and 12) $1.1 million unrealized gain on derivative instruments.

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

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

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN*

CASH FLOW FROM OPERATIONS
(in millions of dollars)

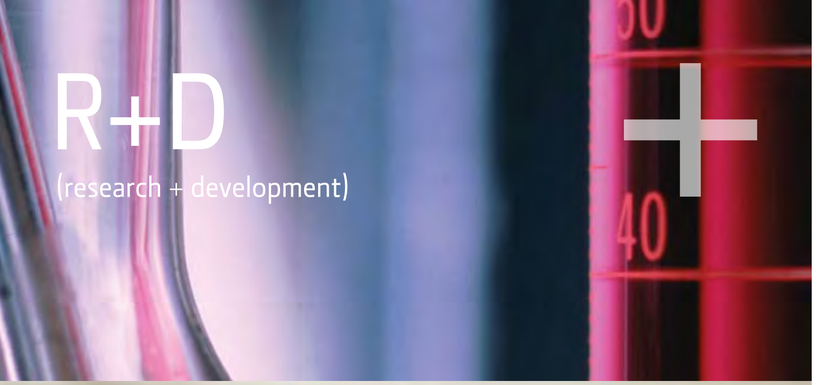


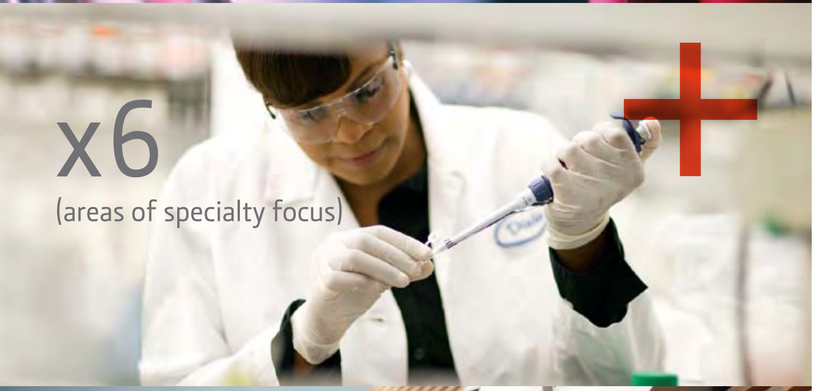
PHARMACEUTICAL SALES GROWTH
(in millions of dollars)

MEDICAL DEVICE SALES GROWTH
(in millions of dollars)

FOOTNOTE FOR CHART ABOVE:

- $100 invested on 12/31/03 in stock or index, including reinvestment of dividends. Fiscal year ending December 31. The 16 companies comprising the customized peer group include: Alcon, Inc., Amgen Inc., Biogen Idec Inc., Celgene Corporation, Cephalon, Inc., Eli Lilly and Company, Endo Pharmaceuticals Holdings Inc., Forest Laboratories, Inc., Genentech, Inc., Genzyme Corporation, Gilead Sciences, Inc., Johnson & Johnson, Medicis Pharmaceutical Corporation, Mentor Corporation, Sepracor Inc. and Wyeth.





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

In millions, except per share data	Year Ended December 31, 2008			Year Ended December 31, 2007			Year Ended December 31, 2006			Year Ended December 31, 2005			Year Ended December 31, 2004		
	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted	GAAP	Non-GAAP Adjustments	Adjusted
REVENUES															
Specialty pharmaceuticals product net sales	$3,502.3	$ —	$3,502.3	$3,105.0	$ —	$3,105.0	$2,638.5	$ —	$2,638.5	$2,319.2	$ —	$2,319.2	$2,045.6	$ —	$2,045.6
Medical devices product net sales	837.4	—	837.4	774.0	—	774.0	371.6	—	371.6	—	—	—	—	—	—
Product net sales	4,339.7	—	4,339.7	3,879.0	—	3,879.0	3,010.1	—	3,010.1	2,319.2	—	2,319.2	2,045.6	—	2,045.6
Other revenues	63.7	—	63.7	59.9	—	59.9	53.2	—	53.2	23.4	—	23.4	13.3	—	13.3
Total	4,403.4	—	4,403.4	3,938.9	—	3,938.9	3,063.3	—	3,063.3	2,342.6	—	2,342.6	2,058.9	—	2,058.9
OPERATING COSTS AND EXPENSES															
Cost of product sales (excludes amortization of acquired intangible assets)	761.2	(20.6) [a][b][c]	740.6	673.2	(3.5) [p][ta]	669.7	575.7	(48.8) [v][w]	526.9	385.3	(0.5) [af][ag]	384.8	381.7	—	381.7
Selling, general and administrative	1,856.0	(47.2) [b][c][d][e][f][g]	1,808.8	1,680.1	(23.2) [q][r]	1,656.9	1,333.4	(53.9) [v][x][y][z]	1,279.5	936.8	10.0 [af][ah][ai]	946.8	791.7	2.4 [ae]	794.1
Research and development	797.9	(69.0) [b][h][i][j][k]	728.9	718.1	(72.0) [s]	646.1	1,055.5	(580.0) [y][aa]	475.5	388.3	(4.5) [af][ag]	383.8	342.9	—	342.9
Amortization of acquired intangible assets	150.9	(129.6) [l]	21.3	121.3	(99.9) [l]	21.4	79.6	(58.6) [ab]	21.0	17.5	—	17.5	8.2	—	8.2
Restructuring charges and asset write-offs, net	41.3	(41.3) [m]	—	26.8	(26.8) [m]	—	22.3	(22.3) [m]	—	43.8	(43.8) [ag]	—	7.0	(7.0) [m]	—
Operating income (loss)	796.1	307.7	1,103.8	719.4	225.4	944.8	(3.2)	763.6	760.4	570.9	38.8	609.7	527.4	4.6	532.0
Interest income	33.5	—	33.5	65.3	(0.4) [t]	64.9	48.9	4.9 [ac]	53.8	35.4	(2.2) [ak][al]	33.2	14.1	—	14.1
Interest expense	(60.6)	—	(60.6)	(71.4)	—	(71.4)	(60.2)	(4.9) [ac]	(65.1)	(12.4)	(7.3) [ak]	(19.7)	(18.1)	—	(18.1)
Gain on investments	—	—	—	—	—	—	0.3	—	0.3	0.8	(0.8) [am]	—	0.3	—	0.3
Unrealized gain (loss) on derivative instruments, net	14.8	(14.8) [n]	—	(0.4)	0.4 [n]	—	(0.3)	0.3 [n]	—	1.1	(1.1) [n]	—	(0.4)	0.4 [n]	—
Other, net	3.4	—	3.4	(25.2)	—	(25.2)	(5.0)	2.7 [ad]	(2.3)	3.4	(3.5) [al]	(0.1)	8.8	(11.5) [ac]	(2.7)
	(8.9)	(14.8)	(23.7)	(31.7)	—	(31.7)	(16.3)	3.0	(13.3)	28.3	(14.9)	13.4	4.7	(11.1)	(6.4)
Earnings (loss) from continuing operations before income taxes and minority interest	787.2	292.9	1,080.1	687.7	225.4	913.1	(19.5)	766.6	747.1	599.2	23.9	623.1	532.1	(6.5)	525.6
Provision for income taxes	207.0	85.0 [o]	292.0	186.2	53.5 [u]	239.7	107.5	92.0 [ae]	199.5	192.4	(22.4) [an]	170.0	154.0	1.8 [ao]	155.8
Minority interest	1.6	—	1.6	0.5	—	0.5	0.4	—	0.4	2.9	(3.1) [ap]	(0.2)	1.0	—	1.0
Earnings (loss) from continuing operations	$ 578.6	$ 207.9	$ 786.5	$ 501.0	$171.9	$ 672.9	$ (127.4)	$ 674.6	$ 547.2	$ 403.9	$ 49.4	$ 453.3	$ 377.1	$ (8.3)	$ 368.8
Basic earnings (loss) per share: Continuing operations	$ 1.90	$ 0.69	$ 2.59	$ 1.64	$ 0.57	$ 2.21	$ (0.43)	$ 2.29	$ 1.86	$ 1.54	$ 0.19	$ 1.73	$ 1.44	$(0.04)	$ 1.40
Diluted earnings (loss) per share: Continuing operations	$ 1.89	$ 0.68	$ 2.57	$ 1.62	$ 0.56	$ 2.18	$ (0.43)	$ 2.26	$ 1.83	$ 1.51	$ 0.18	$ 1.69	$ 1.41	$(0.03)	$ 1.38
Total product net sales	$4,339.7	$ (49.5) [ar]	$4,290.2	$3,879.0	$ (87.4) [ar]	$3,791.6	$3,010.1	$ (15.2) [ar]	$2,994.9	$2,319.2	$(22.3) [ar]	$2,296.9	$2,045.6	$(41.9) [ar]	$2,003.7

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

In this Annual Report, Allergan included historical non-GAAP financial measures, as defined in Regulation G promulgated by the Securities and Exchange Commission, with respect to the year ended December 31, 2008, as well as the corresponding periods for 2007 through 2004. Allergan believes that its presentation of historical non-GAAP financial measures provides useful supplementary information to investors regarding its operational performance because it enhances an investor's overall understanding of the financial performance and prospects for the future of Allergan's core business activities by providing a basis for the comparison of results of core business operations between current, past and future periods. The presentation of historical non-GAAP financial measures is not meant to be considered in isolation from or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States.

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

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

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

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

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

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

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

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

(d) External costs of approximately $25.7 million associated with responding to the U.S. Department of Justice subpoena announced in a company press release on March 3, 2008, and ACZONE® transaction costs of $0.6 million.

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

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

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

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

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

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

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

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

(m) Net restructuring charges.

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

(o) Total tax effect for non-GAAP pre-tax adjustments of $(86.4) million, U.S. state and federal deferred tax benefit from legal entity integration of Esprit and Inamed Corporation (Inamed) of $(2.4) million, and negative tax impact from non-deductible losses associated with the liquidation of corporate-owned life insurance contracts of $3.8 million.

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

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

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

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

(t) Interest income related to income tax settlements.

(u) Total tax effect for non-GAAP pre-tax adjustments of $(51.9) million and favorable recovery of previously paid state income taxes of $(1.6) million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(aj) Buyout of license agreement with Johns Hopkins University.

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

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

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

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

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

(ap) Income from a patent infringement settlement.

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

(ar) Technology transfer fee and income from revised *Vitrase* collaborations agreement with ISTA Pharmaceuticals.

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

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

Our strategy for sustainable growth

To Our Investors

After the strong 29 percent sales growth we enjoyed in 2007, 2008 was a challenging year financially given the worldwide economic downturn. However, 2008 also represented a time for reflection and assessment of our short- and long-term opportunities, enabling us to emerge from 2008 stronger and better prepared for the challenges ahead. Even in a difficult economic climate with various external, uncontrollable factors impacting our businesses, Allergan draws stability, strength and value from its **Growth Equation** — a business model that balances diverse specialties with a focused approach and a leadership presence in markets around the globe.

The net sales growth of 12 percent we achieved in 2008 was quite different from our expectations at the start of the year, particularly with regard to continued strong expansion of the medical aesthetics business that includes BOTOX® Cosmetic, dermal fillers and breast aesthetics. Late in the first quarter, we began to experience the impact of cutbacks in U.S. consumer spending on these elective cash pay businesses. From mid-year onward, we increasingly experienced the effects of a global recession, especially in Europe. Beyond medical aesthetics, the economic currents also challenged our growth expectations for our obesity intervention portfolio, specifically the LAP-BAND® Adjustable Gastric Banding System. For the LAP-BAND® System, about a quarter of our business is currently cash pay and when reimbursed the typical co-payment is in the range of $2,000 to $4,000. So, in tough economic times when consumers are reducing their personal expenses, growth for a product like the LAP-BAND® System, a well-established treatment for morbid obesity, is also negatively impacted.

Even with these challenges, first half 2008 net sales growth was still strong at 21 percent over the corresponding period of 2007, while second half net sales growth was moderate at three percent with weak consumer demand being amplified by the strength of the U.S. Dollar versus foreign currencies. Thanks to our reliable forecasting systems we initiated strong expense controls from mid-year onward which permitted us to deliver adjusted Diluted Earnings per Share (EPS) growth of 18 percent for the full year. *[A reconciliation between Generally Accepted Accounting Principles (GAAP) Diluted EPS and adjusted Diluted EPS results is on pages 4-5.]* Allergan's pharmaceutical businesses (including BOTOX® sales) increased 13 percent over 2007 on a constant currency basis, compared with a worldwide pharmaceutical industry growth rate of 4 percent.[1] Given the high investments we made in prior years in sales force expansions and substantial Direct to Consumer (DTC) advertising budgets for our consumer-oriented brands, we possess the strategic flexibility to leverage these cost areas, reducing many optional programs while protecting our long-term investments in Research and Development (R&D).

DIVERSIFIED BUSINESS MODEL

While much investor attention is paid to our consumer-oriented, elective cash pay businesses — such as BOTOX®, which today is likely one of the most famous pharmaceutical brands in America;[2] JUVÉDERM®, our leading dermal filler; our *Natrelle*™ Collection of breast implants; and the LAP-BAND® System, the world's No. 1 gastric band[3] — in reality the cash pay portion of our overall sales in 2008 was only about 30 percent of our worldwide revenues. The real strength of our diversified business model was demonstrated by a constant currency growth of 13 percent in our worldwide pharmaceutical businesses, which accounted for the remaining 70 percent of our revenues. Eye care pharmaceuticals, representing 46 percent of our global sales mix, increased 13 percent in Dollars over 2007. For the seventh consecutive year Allergan has been the fastest growing global eye care pharmaceutical company thanks to RESTASIS®, our artificial tear brands led by REFRESH® and OPTIVE™ and our glaucoma franchise.[4] RESTASIS® ophthalmic emulsion, the only prescription therapeutic dry eye product, is now the second largest eye care pharmaceutical brand in the United States[5] with 2008 worldwide sales of $444 million.

Operating cash flow in 2008 was a strong $682 million, and post-capital expenditure a net of $492 million. We utilized our potent cash generation to undertake strategic transactions enhancing our specialty product lines and strengthening our diversity. Notably, we acquired the North American rights to ACZONE® gel 5% for approximately $150 million. ACZONE® contains the first new FDA-approved chemical entity for acne treatment since our TAZORAC® (tazarotene) gel was approved in 1997. We also established a collaboration with Spectrum Pharmaceuticals to co-develop and commercialize worldwide (outside Asia) the antineoplastic agent apaziquone, currently being investigated for the treatment of non-muscle invasive bladder cancer and a perfect fit with Allergan's emerging strategic focus in urology. As part of the collaboration with Spectrum Pharmaceuticals, we paid $42 million upfront in the fourth quarter of 2008. Only a limited sum of $230 million was expended for stock repurchases as part of our long-term strategy of offsetting employees' exercise of stock options. Given the distressed state of the global credit markets since the latter half of 2008, we are fortunate to have approximately $1.1 billion of cash on the balance sheet and no material expiries of our existing financing arrangements until 2011. Therefore, as we enter 2009, we have multiple levers for strategic acquisitions and licensing transactions or for rearrangement of our debt structure.

(1) Intercontinental Medical Statistics (IMS), worldwide (48 countries rollup), US$ constant currency sales growth, YTD Sep-08 vs. YTD Sep-07.

(2) Allergan data on file.

(3) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc.

(4) Intercontinental Medical Statistics (IMS): 48 countries rollup, Q3 2008, in constant currency for the trailing 12 months, as of September 2008.

(5) Vector One: National (VONA) from SDI; MAT Dec. 2008.

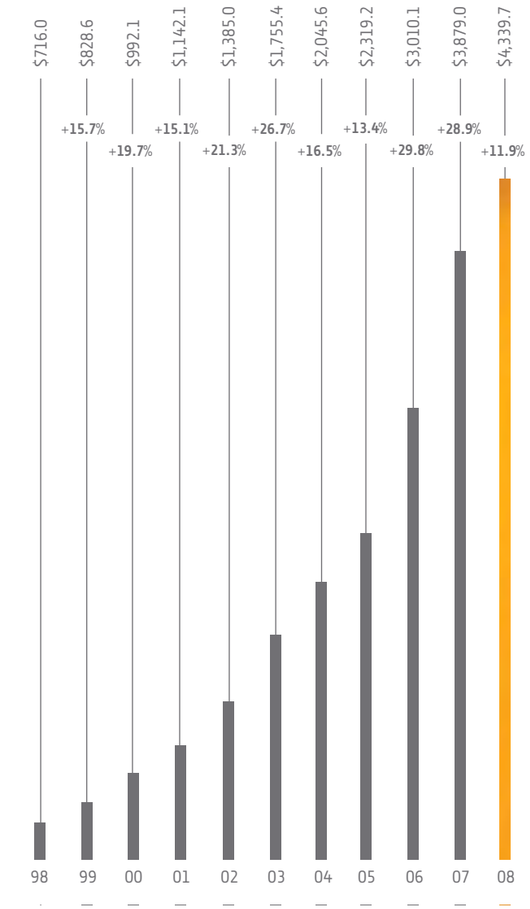
STEADY INVESTMENT IN R&D AND SCIENTIFIC INNOVATION

While 2007 marked the strongest sales growth in Dollars in Allergan's history, 2008 marked our strongest R&D performance ever — reflecting not only the competence of our scientists, but also our steadily increasing investment in the R&D component of our **Growth Equation**. In 2008, adjusted R&D expenditures were $729 million or 16.8 percent of sales — a near doubling of adjusted R&D spend within a short three-year time span. *[A reconciliation between GAAP R&D expenditures and adjusted R&D expenditures is on page 17.]* R&D is the center of the enterprise and the long-term driver of product innovation that should be a key focus for any CEO and Board of Directors to ensure productivity and operational efficiencies. To that point, 2008 was a pivotal year for us with several product approvals by government agencies worldwide.

To begin, we secured approval from the U.S. Food and Drug Administration (FDA) for LATISSE™ (bimatoprost ophthalmic solution) 0.03%, a unique and first-ever prescription product for the treatment of hypotrichosis (inadequate or not enough eyelashes). In addition, we received FDA approval for TRIVARIS™ injectable suspension, a specially formulated triamcinolone product, marking Allergan's first product to treat retinal disease. Around the world, our combination glaucoma therapy drugs, COMBIGAN® (brimonidine tartrate/timolol maleate ophthalmic solution) 0.2%/0.5% and GANFORT™ (bimatoprost/timolol ophthalmic solution) 0.03%/0.5% were approved in many second-tier markets. Regarding BOTOX® neurotoxin, we received regulatory approvals in Korea for post-stroke spasticity, aesthetic use and severe primary axillary hyperhidrosis. In Australia, we received regulatory approval of BOTOX® for upper limb juvenile cerebral palsy. And, in early 2009, through our partnership with GlaxoSmithKline (GSK), we received Japanese approval of BOTOX® for aesthetic use, which will be marketed under the trade name BOTOX VISTA®, as well as for the treatment of juvenile cerebral palsy. Additionally, following an earlier regulatory approval in Mexico, BOTOX® received approval for overactive bladder (OAB) in Brazil in 2009. In terms of our dermal filler line, the JUVÉDERM® Ultra and Ultra Plus brands formulated with lidocaine anesthetic were launched in Europe, Canada, and Australia in early 2009. Additionally, VOLUMA™, a next generation volumizing filler, was approved in Europe, Canada and Australia.

The only significant regulatory disappointment in 2008 was the termination of our long-term program to secure FDA approval for oral memantine, which we believed had the potential to be the first oral treatment worldwide to hinder the progression of glaucoma through the direct protection of the optic nerve rather than by reducing intraocular pressure (IOP). Unfortunately, the trial failed to reach its clinical endpoints. From the outset, we had fully appreciated that this was a pioneering program, and therefore one that entailed the highest risk of any clinical endeavor at Allergan.

NET SALES GROWTH
(in millions of dollars)



In addition to many important product approvals worldwide, R&D productivity in 2008 was significant, as proven by the large number of regulatory filings and subsequent approvals. Looking ahead, several important submissions are awaiting action from regulatory agencies in 2009. *[An overview of Allergan's 2008-2009 granted product approvals and 2009 pending approvals is on page 8.]*

Despite the current economic climate, we maintained a sharp focus on our longer-term R&D pipeline by moving internally developed compounds and programs to the next stage, as well as by externally enhancing our portfolio through in-licenses. For example, the Phase II programs for BOTOX® for idiopathic OAB were completed. Additionally, PG analog and other compounds for the lowering of IOP and RESTASIS® X, a new formulation of our highly successful, unique dry eye therapy product, began testing in 2008 and are continuing clinical development in 2009.

"While 2007 marked the strongest sales growth in Dollars in Allergan's history, 2008 marked our strongest R&D performance ever — reflecting not only the competence of our scientists, but also our steadily increasing investment in the R&D component of our Growth Equation."

"R&D is the center of the enterprise and the long-term driver of product innovation that should be a key focus for any CEO and Board of Directors to ensure productivity and operational efficiencies."

2008-2009 Granted Approvals

PRODUCT	INDICATION	COUNTRY	YEAR
LATISSE™	Hypotrichosis of the Eyelashes	United States	2008
TRIVARIS™	Retinal Disease	United States	2008
BOTOX®	Post-Stroke Upper Limb Spasticity	Korea	2008
BOTOX®	Glabellar Lines	Korea	2008
BOTOX®	Severe Primary Axillary Hyperhidrosis	Korea	2008
BOTOX®	Upper Limb Spasticity Associated with Juvenile Cerebral Palsy	Australia	2008
JUVÉDERM® Ultra and Ultra Plus with lidocaine	Facial Aesthetics	Canada, Australia	2008
VOLUMA™	Facial Aesthetics	Europe, Canada, Australia	2008
BOTOX®	Neurogenic Overactive Bladder	Brazil	2009
BOTOX®	Glabellar Lines	China*	2009
BOTOX®	Juvenile Cerebral Palsy	Japan*	2009
BOTOX VISTA®	Glabellar Lines	Japan*	2009

2009 Pending Approvals

BOTOX®	Post-Stroke Upper Limb Spasticity	United States
JUVÉDERM® Ultra and Ultra Plus with lidocaine	Facial Aesthetics	United States
Natrelle® Style 410	Breast Reconstruction & Augmentation	United States
ACULAR® X	Inflammation	United States
POSURDEX®	Macular Edema Associated with Retinal Vein Occlusion	United States
LUMIGAN® X	Intraocular Pressure/Glaucoma	United States
LUMIGAN®	Intraocular Pressure/Glaucoma	Japan**

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

In light of the significant product approvals we secured in 2008, it is important to note that the process for obtaining regulatory approval of pharmaceuticals and medical devices by agencies around the world has become increasingly complex. Allergan, however, benefits from having drugs and delivery systems that are primarily topical and targeted in effect, versus systemic, and have optimal safety profiles. This is one reason why Allergan has historically enjoyed a much higher than industry average success rate in the number of drugs entering the clinic relative to the number of final approvals. The other key reason is our organizational focus on select specialty therapeutic areas where we have long-established scientific experience and commercial leadership, enabling us to rapidly progress products through the development pipeline.

Despite current economic challenges, we are determined to continue to build a strong pipeline. This is evidenced not only by the strong progress made with our internally developed compounds and technologies, but also by our recent business development activities with Spectrum Pharmaceuticals (urology), BAROnova (obesity intervention), Asterand (eye care) and Polyphor (eye care).

PREPARED FOR COMPETITION

Competition is as healthy as it is inevitable — it keeps companies on their toes, stimulating innovation and intensifying efforts to enhance the safety and efficacy of drugs to meet the needs of physicians and patients, while at the same time raising awareness and expanding markets. Therefore, our depth in select specialty areas reflected by our geographical reach, the diversity of our product portfolios and the robustness of our pipeline help position us well to sustain market share and propel growth in an increasingly competitive marketplace.

For many years, we have been diligently readying ourselves for the arrival of competition to BOTOX® in North America in both the aesthetic and therapeutic categories. Our efforts have included an impressive continuum of new and approved medical uses of BOTOX®, benefiting 21 different patient populations to date, a long-established product safety profile based on approximately 15 million treatment sessions[6] and 18 million product vials[6] sold over the past 20 years, coupled with a steady improvement in physician injector training, reimbursement services and patient support. Competition will be initially contained to first discovered uses and indications for orphan conditions. Specifically, in 2009, we expect that our competitor Ipsen will receive FDA approval for *Dysport*® for cervical dystonia, one of the first therapeutic uses of neuromodulators. Since its first approved use nearly 20 years ago, Allergan's patent estate for therapeutic uses of BOTOX® is vast, reflected by the product's currently 21 approved indications globally. And our pursuit of the potential of BOTOX® is ongoing, as we are investing considerable resources to develop the next generation of neuromodulators with even more targeted efficacy and longer duration of action. Furthermore, with approximately 2,100 publications on botulinum toxin type A in scientific and medical journals,[6] BOTOX® is one of the most widely researched medicines in the world. Hence, our leadership position is further bolstered by the fact that physicians and patients, either inside or outside the United States have a level of experience and trust in BOTOX® that is unmatched by other botulinum toxin therapies such as *Dysport*®, against which we have successfully competed since 1991.

In addition, our investments in DTC advertising complemented by our public relations activities have established strong brand awareness of the BOTOX® brand with consumers. Our track record of maintaining a very high market share for BOTOX®, which we currently estimate to be 83 percent worldwide,[7] and our history of market share gains in Europe against *Dysport*® in both the therapeutic and aesthetic segments give us grounds for confidence that we will handle competition successfully in the United States and Canada.

With regard to competition for BOTOX® Cosmetic, we anticipate FDA approval of the aesthetic version of *Dysport*®, expected to be marketed by Ipsen's licensee in North America, Medicis, under the trade name *Reloxin*®. In early 2008, we undertook a significant expansion of our sales organization to improve market coverage and service of our customer base and provide sufficient capacity for selling a full line of facial products tailored to meet the needs of aesthetic specialists and their patients. In 2009, we will be offering physicians and patients a portfolio for total facial care that consists of either the No. 1 aesthetic treatment in the category or one that is uniquely differentiated based on its scientifically proven benefit.

Following the introduction of BOTOX® Cosmetic in 2002, which served as the catalyst that triggered consumers' adoption of medical aesthetic treatments worldwide, Allergan has demonstrated yet again its ability to create and lead high-growth markets with the U.S. launches of our JUVÉDERM® dermal filler portfolio in the United States in 2006 and LATISSE™, the first FDA-approved eyelash enhancing product in 2009. The growth of the medical aesthetics market has been fueled not only by the aging of the "baby boomer generation" but also by the growing demand among all age groups for safe and effective approaches to maintaining a healthy and youthful appearance and self-image.

Today, Allergan's leadership in medical aesthetics is the fulfillment of the strategy we embarked upon when we launched BOTOX® Cosmetic, and our decision to develop a *Total Facial Rejuvenation*™ product offering for physicians and consumers where science meets beauty. Looking ahead, sustained growth in medical aesthetics will be driven by innovation, which we seed by continuing to listen closely to the experiences and needs of our physician partners and consumers, and by being adept at spotting opportunities. Coupled with innovation, success in this market will be further defined by meeting consumers' demand for credible information backed by science and by working with physicians to help patients make the best-informed medical aesthetics choices possible. That is Allergan's formula for responsible growth and expansion of the medical aesthetics market worldwide. *[An overview of Allergan's Total Facial Rejuvenation™ product portfolio is on page 10.]*

For plastic surgeons, we offer market-leading products for each of the top three consumer products purchased by the physician's office: breast implants, BOTOX® for aesthetic use and dermal fillers. Specific to breast implants, our *Natrelle*® Collection of breast implants offers the industry's widest range of gel and saline breast implant options for women seeking to enhance or restore their breast shape and form.

Beyond our medical aesthetic businesses, we also foresee continued leadership in the obesity intervention market. To that point, we are confident we will maintain a significant presence in the near and long term.

(6) Allergan data on file.

(7) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc. in U.S. dollars at actual exchange rates for 12 months ending September 2008.

Allergan's *Total Facial Rejuvenation*™ Product Portfolio

PRODUCT	DESCRIPTION
BOTOX® Cosmetic (marketed as VISTABEL®/VISTABEX® in Europe; and as BOTOX VISTA® in Japan)	No. 1 physician-administered cosmetic treatment worldwide since 2002*
JUVÉDERM®	A next generation and leading dermal filler brand in the United States in 2008*
LATISSE™	First and only FDA-approved product in the United States to enhance eyelash prominence*
CLINIQUE MEDICAL	First and unique in-office U.S. skin care line from No. 1 prestige cosmetic brand in North America and No. 1 global leader in medical aesthetics*

*Allergan data on file.

Currently, we have approximately 80 percent of the worldwide bariatric surgery market (banding and balloon segments),[8] despite competition from Ethicon Endo-Surgery. Given the growing global obesity epidemic, this market has enormous potential, and it is projected that the number of bariatric surgeries in the United States alone will reach almost 435,000 annually by 2012 with the LAP-BAND® System as one of the fastest growing bariatric procedures in the United States.[9]

In all of these competitive markets, we are well poised for the challenges facing us today and tomorrow as we continue to strengthen our leadership positions with next generation and uniquely differentiated products to offer our customers and their patients.

GLOBAL EXPANSION IN NEW MARKETS

With a challenging short-term outlook for growth in the United States and Europe, in 2008 we pursued another factor of our **Growth Equation** by expanding our operations in rapidly growing industrialized countries. Among the industry players focused on medical specialties, Allergan was already unique in commercializing the majority of its products on a global basis, in all continents of the world, through a network of 23 fully-owned subsidiaries, supplemented by a network of strategic partners and distributors. Building on this platform, we pushed into many new markets in Asia Pacific, Eastern Europe and Latin America in 2008, with a plan for continuation in 2009 and beyond.

Asia Pacific

In 2008, we established Singapore as our regional commercial hub, centralizing many operations previously carried out in Hong Kong and Sydney. At the end of 2008, we acquired the distribution rights to BOTOX® in Korea from our former partner, established our own direct selling and marketing organization and are in the process of offering the same full facial aesthetics product lineup that we market in the United States and Europe. Also in early 2009, we made the decision to establish a direct eye care sales force operation in China. And, building on our strong eye care presence in India, we are now also creating an aesthetics market locally.

Europe

Our core eye care and aesthetic products, presently available in the United States and Western Europe, were launched in important Eastern European markets such as Poland, the Czech Republic and Hungary with further expansion planned for Romania, Russia and the Ukraine in 2009 and 2010.

Latin America

In Latin America, where we have a strong foundation as we enjoy high market shares in eye care and in neuromodulators with BOTOX®, we successfully added breast implants, dermal fillers and the LAP-BAND® System to our regional product offering.

SHORT-TERM FOCUS — RESPONSIVENESS, AGILITY AND EFFICIENCY

Although today's global recession is unprecedented since the 1930's in terms of its severity, industry impact and global effect, we remain optimistic about the value of Allergan's **Growth Equation** and our future. Periods of challenge present opportunities for embarking on necessary change, retooling an organization's skill sets and business practices and being ready for the recovery. In the past few years, Allergan has assembled a management skill set spanning pharmaceuticals, medical devices and consumer products and including expertise in reimbursement, managed care, pharmacoeconomics and medical affairs. We are uniquely capable of identifying new ways of doing more with fewer resources as we remain responsive, agile and strategically focused where medical need and potential are greatest. We will further build on these skill sets and sharpen the focus of our operational systems, even as we are obliged to make tough economic trade-offs. With a strategic footprint in six medical specialties, Allergan is a company nearly ideal in size — small enough to be nimble, innovative due to our expertise and collaborative with the ability to work as a cohesive team to drive change and deliver extraordinary results.

As an example, in manufacturing, we continued to improve our quality and quality systems and reduce our cost base while driving efficiency and productivity. Toward the end of 2008, we closed our Fremont, California, facility which had been dedicated to the production of collagen-based dermal fillers, correctly anticipating that this product line would be eclipsed by non-animal hyaluronic acid-based dermal fillers which are produced in Pringy, France. We also made significant progress in transferring production of breast implants from our Arklow, Ireland, facility to a state-of-the-art plant in Costa Rica, with the goal of closing Arklow by mid-2009. In Costa Rica, we expect to have the lowest cost manufacturing position of any competitor.

Also, given the rapidly rising costs of drug development, our R&D organization has energetically searched for cost efficiencies and is reducing the average cost per patient enrolled in clinical trials. A key driver is the globalization of almost all of our clinical programs. In 2008, 27 percent of all patients enrolled were outside the United States, where there are lower costs. In addition, we recently established a clinical development center in Bangalore, India.

LONG-TERM VISION — A STRATEGIC BALANCE POISED TO EMBRACE THE GLOBAL UPTURN

In the current economic climate, many patients are postponing aesthetic surgeries or "stretching" medical aesthetic treatments such as BOTOX® for aesthetic use or JUVÉDERM® over a longer time. However, the global mega trends of remaining active, looking better and more youthful as the world's population ages have not receded, but have merely been held in check. Major growth in these markets will resume as the world economy recovers. The other result of the world's aging population is the exploding cost of health care. Governments around the world will inevitably be obliged to institute cost containment programs, with a major focus on reimbursed pharmaceuticals. As cost pressures mount, Allergan should be well positioned by the natural offset of our cash pay businesses. Within reimbursed segments, Allergan is uniquely positioned by its existing products and early-stage pipeline to address two major unmet medical needs: the global obesity epidemic and its link to diabetes, and retinal disease, now the leading cause of blindness in industrialized countries. Going forward, we will keenly judge whether it is the right time for the creation of new markets, or whether we should adopt a market maintenance mode until the economy recovers.

As we manage through the current economic challenges, we have sharpened our focus, made strategic trade-offs and been prepared to make difficult cuts so that Allergan emerges from this period as a lean, fit and adaptable company. Specifically, we have taken the appropriate measures to concentrate our resources on customer-facing activities and on building the strength of our R&D pipeline. Hence, in order to preserve essential expenditures in R&D and high-return sales and marketing programs, we announced a restructuring program in February 2009, which unfortunately terminated approximately 460 employees, primarily in the United States and Europe, or approximately 5 percent of our global headcount.

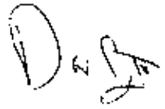
While there were modest impacts in other areas, the reductions primarily affected staff in the U.S. urology sales force and marketing and marketing support functions in the United States and Europe. While we are pleased with the performance of SANCTURA XR® (trospium chloride extended release capsules) in the urology channel, it was clear that we do not have the firepower to efficiently compete with larger companies in the general practitioner (GP) market. We are therefore in negotiations with potential partners with appropriately-sized sales organizations and urology product offerings to represent us in the GP market. We remain committed to the urology specialty, as evidenced by our transaction for apaziquone and our clinical development programs for BOTOX® neurotoxin for incontinence, but needed to improve the short-term profitability of this business. Regarding the reductions in our U.S. and European marketing functions, all of the terminations affected in-house staff and not customer-facing sales force personnel. With the impact of the economy on the size of our markets and thus our product sales, it was necessary to readjust our structure both in the United States and Europe to the current scale of the businesses. With the exception of the U.S. urology business and some low-productivity sales territories in Europe, no other sales force positions have been affected. We also have not curbed our plans for expansion in either Asia Pacific or Latin America.

When executed correctly a reorganization can — and should — provide new energy in a company. We have had only two major restructurings in the past 10 years. The first one took place shortly after my appointment as CEO in 1998 when we significantly reduced overhead and refocused the Company on the customer and innovation; and the second one occurred in 2002, when we executed the spin-off of the surgical eye care businesses into a stand-alone legal entity, Advanced Medical Optics. We are using today's opportunity to adapt not only to the current size of the medical aesthetics markets but to prepare for the reimbursed pharmaceutical market of tomorrow — in terms of heightened reimbursement pressures as well as new marketing codes disseminated by the leading trade associations in the United States, PhRMA and AdvaMed, and compliance rules promulgated by government agencies both domestically and abroad.

2009 will not be an easy operating year given the economic situation. We are pleased, however, that we have been able to give guidance of adjusted Diluted EPS growth in a range of 5 percent to 7 percent based on the actions and decisions that I have discussed above and thanks to the boost of growth that Allergan should enjoy from many new product approvals in the United States and around the world. Once the world economy recovers, we aspire to return to our long held goal of annually increasing adjusted Diluted EPS from the mid to high teens. Depending on the shape of the economic recovery, there might be an opportunity for a higher return in a "recovery year," as increasing sales flow through our fixed infrastructure.

We are confident about our ability to produce top quartile results as we have exceptional employees in operations all over the globe who have consistently demonstrated their ability to not only work very hard but to handle day-to-day operations with excellence while executing considerable change programs and launching new products.

On that note, my thanks go not only to Allergan's dedicated employee team, but also to our exceptionally strong Board of Directors. Many members of our Board have successfully managed through challenging situations in health care or other industries and their advice and counsel to Allergan's executive management team is invaluable.



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

(8) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc. in U.S. dollars at actual exchange rates for 12 months ending September 2008.

(9) Bariatrics Boom. Medtech Insight, 2006 October: 312-317.

2008 Highlights and Accolades

JANUARY 2008 *Institutional Investor* magazine — David Pyott named one of the "Best CEO's in America."

JANUARY 2008 Allergan announced the phased closure of its breast implant manufacturing facility in Arklow, Ireland, and the transfer of production to Allergan's state-of-the-art manufacturing plant in Costa Rica.

FEBRUARY 2008 *Institutional Investor* magazine — Allergan named "No. 1 Pharmaceutical/Specialty Shareholder Friendly Company."

JUNE 2008 Allergan received U.S. Food and Drug Administration (FDA) approval of TRIVARIS™ (triamcinolone acetonide injectable suspension), a synthetic glucocorticoid corticosteroid with anti-inflammatory action. This is Allergan's first product in the retina space resulting from the Company's strategic focus on the development of therapies for back-of-the-eye diseases.

JUNE 2008 Subsequent to Allergan's development and promotion agreement with GlaxoSmithKline (GSK), GSK submitted a supplemental New Drug Application (sNDA) to the Japanese Ministry of Health for BOTOX® (botulinum toxin type A) to treat juvenile cerebral palsy. The product was approved in February 2009.

JUNE 2008 The Australian Therapeutic Goods Administration (TGA) approved BOTOX® for the treatment of upper limb spasticity associated with juvenile cerebral palsy, expanding the indication to benefit a larger population of pediatric patients suffering from this debilitating neuromuscular condition. BOTOX® had previously been approved in Australia for the treatment of lower limb spasticity associated with juvenile cerebral palsy in 1998.

JUNE 2008 The Korea Food and Drug Administration approved BOTOX® for the treatment of post-stroke upper limb spasticity as well as severe primary axillary hyperhidrosis.

JUNE 2008 Allergan received approval from the Australian TGA and Health Canada for JUVÉDERM® injectable gel with lidocaine, the Company's next generation hyaluronic acid-based dermal filler product, which incorporates the local anesthetic 0.3% lidocaine for improved patient comfort. Allergan launched the product in Canada in September 2008 and in Australia in early 2009.

JULY 2008 Allergan acquired ACZONE® (dapsone) gel 5% from QLT Inc. ACZONE®, which Allergan launched in the United States in November 2008, is a new, first-in-class topical treatment for inflammatory acne and the first new molecule in a decade approved by the FDA for this use.

AUGUST 2008 Allergan entered into an exclusive license agreement with Asterand plc relating to a series of pre-clinical compounds whereby Allergan obtained the rights to develop and commercialize select compounds to treat diseases of the eye.

SEPTEMBER 2008 Allergan completed a top-line analysis of the Company's two Phase III clinical trials exploring the use of BOTOX® for the prophylactic treatment of headache in adults suffering from chronic migraine — i.e., headaches and/or migraines that occur on 15 or more days each month. Based on the results from the two Phase III trials, Allergan anticipates filing a supplemental Biologics License Application (sBLA) with the FDA for the use of BOTOX® for chronic migraine in mid-2009. BOTOX® is the first therapy being investigated for this debilitating condition which affects between 1.2 million and 3.6 million Americans.[1,2]

OCTOBER 2008 Allergan entered into a strategic collaboration with Clinique Laboratories, LLC, the No. 1 prestige cosmetics brand in the United States, to develop CLINIQUE MEDICAL, a new skin care line that is scientifically designed and clinically proven to complement select in-office aesthetic procedures and available only through physicians' offices. Allergan announced the nationwide availability of CLINIQUE MEDICAL in the United States in October 2008.

OCTOBER 2008 Allergan filed a sBLA with the FDA for BOTOX® to treat post-stroke upper limb spasticity, and was subsequently granted priority review.

OCTOBER 2008 Allergan filed a premarket approval (PMA) supplement with the FDA for JUVÉDERM® injectable gel with lidocaine.

OCTOBER 2008 Allergan completed the initial analysis of data from its Phase III studies of POSURDEX® for the treatment of macular edema associated with retinal vein occlusion. POSURDEX® is a novel bioerodable formulation of dexamethasone in Allergan's proprietary sustained-release drug delivery system that can be used to locally administer medications to the retina.

OCTOBER 2008 Allergan invested in BAROnova, Inc.'s Series B financing to further advance the development of BAROnova's new non-surgical, non-pharmacologic TransPyloric Shuttle (TPS) weight-loss technology.

OCTOBER 2008 Allergan and Spectrum Pharmaceuticals, Inc. signed an exclusive collaboration for the development and commercialization of apaziquone, an antineoplastic agent currently being investigated for the treatment of non-muscle invasive bladder cancer by intravesical instillation.

OCTOBER 2008 *MedAdNews* — Allergan named "Most Admired Specialty Company."

DECEMBER 2008 Allergan received FDA approval of LATISSE™ (bimatoprost ophthalmic solution) 0.03%, a novel treatment to stimulate eyelash growth. LATISSE™ is the first and only science-based treatment approved by the FDA to treat hypotrichosis (another name for having inadequate or not enough eyelashes), enhancing eyelash prominence as measured by increases in length, thickness and darkness of eyelashes.

DECEMBER 2008 The Korea Food and Drug Administration approved BOTOX® for the temporary improvement in the appearance of moderate to severe glabellar lines (the vertical frown lines between the eyebrows that look like an "11").

DECEMBER 2008 Allergan closed its Fremont, California, facility which had been dedicated to the production of collagen-based dermal fillers. This product line is being eclipsed by non-animal hyaluronic acid-based dermal fillers, which are produced at the Company's facility in Pringy, France.

DECEMBER 2008 *The Orange County Register* — Allergan ranked among the 20 Orange County companies selected as "Top Workplaces Among Large Companies." Companies in this category employ 500 or more people within the United States.

DECEMBER 2008 Allergan was ranked number nine in the top 10 leadership category by the S&P 500 in its Carbon Disclosure Leadership Index for Carbon-Intensive Industries.

DECEMBER 2008 Allergan was recognized as a 2008 ENERGY STAR Energy Management winner by the U.S. Environmental Protection Agency for the Company's commitment and dedication to energy efficiency. Allergan has been an ENERGY STAR partner since 1996.

DECEMBER 2008 Allergan was presented with The President's Volunteer Service Award, a U.S. national program that recognizes individuals, families and groups for outstanding community service.

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

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

$(R+Dx6)^{>100}$

At Allergan each component of our Growth Equation — robust research and development (R&D), specialty focus and global reach — is guided by a rigorous strategic approach that ultimately works to build strength, stability and value over the short and long term. Our ongoing investment in R&D is expected to drive growth in 2009 with a number of new product approvals, and should create continued innovation for 2010 and beyond through our pursuit of treatments and therapies that address unmet need in the areas we serve. Within our six current specialties, our strong balance between reimbursable pharmaceuticals and elective medical devices and aesthetic treatments helps provide us with the agility to maintain favorable market positions and revenue streams amidst a challenging economic climate. In addition, as we increase our footprint in emerging markets and solidify our share in established ones, we are continuing to expand our leadership presence in more than 100 countries around the globe.

Robust R&D =

Short-term growth fueled by new **PRODUCT APPROVALS**

+

Long-term investments in **SCIENTIFIC INNOVATION**

At Allergan our **Growth Equation** is built upon our ability to identify unmet needs and move with agility to address them through scientific innovation — whether through our internal Research and Development (R&D) or through strategic collaborations. It is this combination of insight and responsiveness, backed by strong science, through which we create stockholder value and better solutions for specialty physicians and their patients. In 2008, our R&D pipeline delivered on its central role in this equation as we brought new product advances to market, submitted a number of new and important regulatory filings, and supported the continued R&D investment necessary to sustain the Company's long-term growth objectives.

OPTIMIZING THE PATIENT EXPERIENCE IN MEDICAL AESTHETICS

Allergan has become a world leader in medical aesthetics by investing in scientific innovation and by bringing safe, effective products to market that deliver on their promises and optimize consumer experiences.

2008 marked a particularly significant milestone in this regard with the U.S. Food and Drug Administration (FDA) approval of LATISSE™ (bimatoprost ophthalmic solution) 0.03% in the United States, a first of its kind treatment that increases the growth of eyelashes, making them longer, thicker and darker. LATISSE™ is also the only FDA-approved eyelash enhancement treatment studied in well-controlled clinical trials, manufactured to pharmaceutical standards, appropriately labeled for use and available to consumers as a prescription product. This new and highly unique product underscores Allergan's commitment to *The Science of Rejuvenation*™ — to developing and delivering high-quality, science-based aesthetic solutions and experiences that are based upon robust data reviewed by the FDA and supported by the physician community. Allergan has exclusive U.S. and foreign patents on the use of bimatoprost, a prostaglandin analog and the active ingredient in the formulation of LATISSE™, as well as on the use of other prostaglandins and prostaglandin analogs as a treatment to stimulate eyelash growth. We estimate global peak sales for this product could exceed $500 million per year.

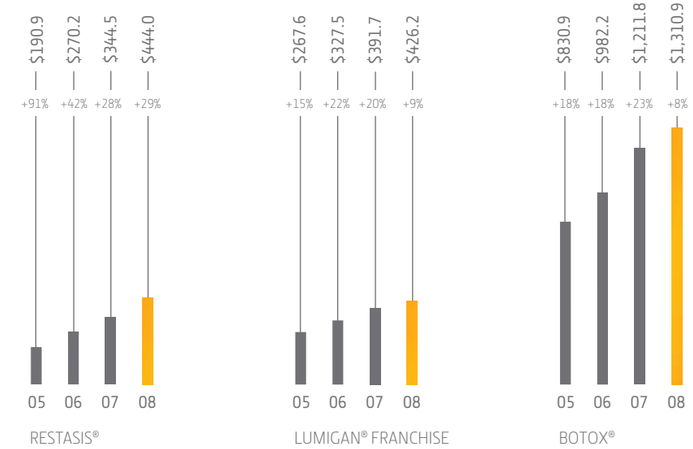
In addition to seeking FDA approval for LATISSE™, we also pursued product improvements in the areas of facial and breast aesthetics. Allergan filed a premarket approval (PMA) supplement with the FDA for JUVÉDERM® injectable gel with lidocaine, the Company's next generation hyaluronic acid-based dermal filler product, to improve patient comfort during treatment. In addition, we anticipate 2009 approval of our *Natrelle*® Style 410 teardrop-shaped gel breast implant in the United States, representing the next innovation in breast implant technology. The *Natrelle*® Style 410 breast implant utilizes a highly cohesive gel that closely mimics the dimensions of the natural breast.

NEW TREATMENT OPTIONS FOR UNMET NEEDS IN CORE PHARMACEUTICAL SPECIALTIES

In 2008, we also focused on putting innovation to work for physicians and their patients whose needs are not yet met in certain therapeutic areas and where our scientific leadership spans many decades.

Specifically, we continue to make important advances in neurosciences through the discovery and development of additional medical uses for BOTOX® (botulinum toxin type A). Since its first FDA approval in the United States nearly 20 years ago, this versatile medicine has revolutionized the treatment of a number of serious or debilitating therapeutic conditions. Today BOTOX® is in a "transformational" period

KEY PRODUCT GROWTH
(in millions of dollars)



Pipeline

Allergan's robust pipeline features a number of significant regulatory approvals and filings worldwide anticipated in 2009 and beyond, including:

PRODUCT	INDICATION	INDUSTRY PARTNERS	EXPECTED APPROVAL
EYE CARE			
LUMIGAN® X (U.S.)	Intraocular Pressure/Glaucoma	—	2009
LUMIGAN® (Japan)	Intraocular Pressure/Glaucoma	Senju Pharmaceutical Company	2009
ACULAR® X (U.S.)	Inflammation	—	2009
POSURDEX® (U.S.)	Macular Edema Associated with Retinal Vein Occlusion	—	2009
POSURDEX® (U.S.)	Uveitis	—	2010
POSURDEX® (U.S.)	Diabetic Macular Edema	—	2011+
ZYMAR® X (U.S.)	Anti-infection	—	2010
RESTASIS® X (U.S.)	Ocular Surface Disease	—	2011+
PG Analog	Intraocular Pressure/Glaucoma	—	2011+
Androgen Tear	Dry Eye	—	—
Prolacria™ (diquafosol tetrasodium ophthalmic solution)	Dry Eye	Developed by Inspire Pharmaceuticals, Inc.	—
MEDICAL AESTHETICS			
Natrelle® Style 410 (U.S.)	Breast Reconstruction & Augmentation	—	2009
JUVÉDERM® Ultra and Ultra Plus with lidocaine (U.S.)	Facial Aesthetics	—	2009
VOLUMA™ (U.S.)	Facial Aesthetics	—	2011+
OBESITY INTERVENTION			
LAP-BAND® System (U.S.)	Adolescent Indication	—	2010
LAP-BAND® System (U.S.)	Lower Body Mass Index (BMI) (BMI ≥ 30 and < 40)	—	2011+
ORBERA™ Intragastric Balloon System (U.S.)	Obesity	—	2011+
EASYBAND™ (U.S.)	Obesity	—	2011+
NEUROMODULATOR			
BOTOX® (U.S.)	Post-Stroke Upper Limb Spasticity	—	2009
BOTOX® (U.S. & Europe)	Chronic Migraine	—	2010
BOTOX® (U.S.)	Overactive Bladder (Neurogenic)	—	2011+
BOTOX® (U.S.)	Overactive Bladder (Idiopathic)	—	2011+
BOTOX® (U.S.)	Benign Prostate Hyperplasia	—	2011+
Next Generation Neuromodulator	Chronic Pain	—	—
NEW TECHNOLOGY			
Alpha Agonists (U.S.)	Neuropathic Pain	ACADIA Pharmaceuticals	—

of its life cycle, as we build upon our rich understanding of this product to explore new ways to address medical needs that have not yet been met and design novel next generation neuromodulators with even greater specific modes of action and longer duration.

In 2008, we moved forward with our investigation of BOTOX® for the treatment of post-stroke upper limb spasticity by filing a supplemental Biologics License Application (sBLA) with the FDA that was subsequently granted priority review. In addition, BOTOX® is the first therapy being studied for adults who suffer from chronic migraine, characterized by headaches and/or migraines that occur on 15 or more days each month. This extremely debilitating condition is estimated to affect between 1.2 million and 3.6 million people in the United States.[1, 2] Based on results from our Phase III trials, we anticipate filing a sBLA with the FDA for the use of BOTOX® in chronic migraine in mid-2009.

In eye care, we are awaiting FDA approval in 2009 for LUMIGAN® X (bimatoprost ophthalmic solution), a next generation of our leading glaucoma drug LUMIGAN® (bimatoprost ophthalmic solution) 0.03%.

We also are pursuing opportunities to develop and bring to market two groundbreaking therapies to help protect and preserve vision. The FDA approval of TRIVARIS™ (triamcinolone acetonide injectable suspension) in June 2008 marked Allergan's first product in the retina category resulting from our strategic focus on developing therapies for back-of-the-eye diseases. Delivered via intraocular injection, this treatment works to mitigate a range of inflammatory conditions that can result in vision loss. We look forward to launching TRIVARIS™ in the United States in 2009.

In 2008, we also completed the initial analysis of data from our Phase III studies of POSURDEX® for macular edema associated with retinal vein occlusion (RVO), finding that patients treated with POSURDEX® demonstrated a statistically significant increase in vision. RVO is the second most common cause of macular edema and a significant cause of vision loss.[3] POSURDEX® is a novel formulation of dexamethasone in Allergan's proprietary, sustained-release drug delivery system. This technology can deliver sight-saving medications precisely where they are needed at the back of the eye. Based on the study results, in the fourth quarter 2008 we filed a new drug application (NDA) with the FDA for the approval of POSURDEX® to treat macular edema associated with RVO.

CREATING LONG-TERM GROWTH AND VALUE

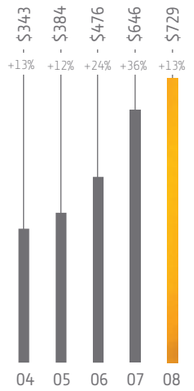
Along with these anticipated short-term growth drivers, Allergan is investing to create long-term value for stockholders and to provide continued innovation for physicians and patients with a robust product pipeline and strategic collaborations. We are particularly focused on our core specialty areas where worldwide disease and aging trends intersect with areas of significant unmet need and high-growth opportunity, including retinal disease and obesity intervention.

For instance, we are further exploring the use of POSURDEX® for the treatment of diabetic macular edema and uveitis. And, recognizing that the obesity epidemic increasingly crosses boundaries of age as well as gender and race, we are conducting clinical trials investigating the LAP-BAND® Adjustable Gastric Banding System — the world's No. 1 gastric band[4] — for use in adolescents. We also are pursuing study of the LAP-BAND® System in weight management for patients with lower Body Mass Index (BMI ≥ 30 and < 40).

In neurosciences, we are continuing to pioneer new medical uses for BOTOX® — maximizing its potential as a "pipeline in a product" — in therapeutic areas where there is a substantial need for new treatment options. Specifically, we are in Phase III clinical trials for BOTOX® as a treatment for neurogenic overactive bladder (OAB) and completed Phase II clinical trials for idiopathic OAB — by far the most common form of the disorder, affecting an estimated 13 million to 33 million people in the United States alone.[5] We also are in Phase II clinical trials for BOTOX® as a treatment for benign prostate hyperplasia, a non-cancerous growth of the prostate that can interfere with urination and is one of the most common diseases affecting men. Further, we are focused on the development of a next generation neuromodulator with more selective action for chronic pain management.

As we look to expand our urology offerings to specialty physicians and patients, we have partnered with Spectrum Pharmaceuticals, Inc. to develop and bring to market apaziquone, a therapy currently being investigated for the treatment of non-muscle invasive bladder cancer. This form of cancer is localized in the surface layers of the bladder, and has not spread to the deeper muscle layer. It affects 70 percent of all patients who are newly diagnosed with transitional cell carcinoma of the bladder.[6] Spectrum's apaziquone program is already in Phase III clinical development. If approved, the product will further build Allergan's strength in the specialist urology category.

R&D EXPENDITURES/GROWTH



(in millions of dollars, adjusted for non-GAAP items*)

* Adjustments to GAAP research and development expense used to calculate research and development expense, adjusted for non-GAAP items, include the following: $68.7 million for upfront payments for technologies that have not achieved regulatory approval and $0.3 million of termination benefits related to the phased closure of the Arklow, Ireland, breast implant manufacturing plant in 2008; $72.0 million of in-process research and development expense related to the EndoArt acquisition in 2007; $579.3 million of in-process research and development expense related to the Inamed acquisition, $0.2 million of Inamed integration and transition costs and $0.5 million of transition/duplicate operating expenses in 2006; and $1.5 million of transition/duplicate operating expenses and a $3.0 million buy-out of a license agreement in 2005. GAAP research and development expense was $797.9 million, $718.1 million, $1,055.5 million, $388.3 million, and $342.9 million in 2008, 2007, 2006, 2005 and 2004, respectively. GAAP research and development expense growth (decline) was 11% (32%), 172%, 13% and (55%) for 2008, 2007, 2006, 2005 and 2004, respectively.

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

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

(3) Héron E., Marzac C., Feldman-Billard S., Girmens J., Paques M., Delarue R., Piette J., Casadevall N., Hermine, O. (2007). Endogenous Erythroid Colony Formation in Patients with Retinal Vein Occlusion. Ophthalmology, 114, Issue 12, 2155–2161.

(4) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc.

(5) The Public Health Implications of Urogenital Disease. Clinician 2003:21(4). Office of Women's Health, U.S. Department of Health and Human Services.

(6) Kirkali Z, et al,. Bladder Cancer: Epidemiology, Staging and Grading, and Diagnosis. Urology 66 (Suppl 6A): 4-34, 2005.

Specialty focus =

A strong balance between REIMBURSABLE PHARMACEUTICALS

+

ELECTIVE MEDICAL DEVICES AND AESTHETIC TREATMENTS

Another key element in Allergan's **Growth Equation** is the combination of our rigorous strategic focus and the way we apply it across the diverse specialty areas we serve. We decide which areas to invest in and grow based upon our potential to create or lead a market with products that can make a meaningful difference in patients' lives. This diversity plus the balance we have achieved between reimbursable and elective businesses helps provide us the flexibility to thrive in an ever-more restrictive reimbursement environment and amidst economic fluctuations.

EYE CARE

NEUROSCIENCES

MEDICAL AESTHETICS

OBESITY INTERVENTION

MEDICAL DERMATOLOGY

UROLOGICS

During 2008 we continued to expand our leadership positions in specialty areas where we have high-performing brands, highly differentiated products, sales force coverage and pipeline innovations. This effort also translated into real solutions for patients, as we reached further to help ensure patients have access to new treatment options as well as the information they need to make well-informed treatment decisions and achieve optimal outcomes.

LEADERSHIP IN OUR REIMBURSABLE PHARMACEUTICAL MARKETS

The way in which Allergan's **Growth Equation** is advancing our core specialty businesses becomes apparent with a close look at some of our top performing franchises during 2008. We are strategically focused on high-growth markets where there is significant unmet need. This has positioned us to maximize opportunities in eye care categories such as dry eye, glaucoma and retinal disease where demand is high and increasing as the population ages.

For example, as patient awareness has increased about the underlying causes of chronic dry eye, RESTASIS® (cyclosporine ophthalmic emulsion) 0.05%, the first and currently the only prescription dry eye therapy, has grown to be the second largest eye care pharmaceutical brand by value in the United States.[1] Likewise, the availability of COMBIGAN® (brimonidine tartrate/timolol maleate ophthalmic solution) 0.2%/0.5% in the United States, as well as the ex-U.S. launches of GANFORT™ (bimatoprost/timolol ophthalmic solution) 0.03%/0.5% and COMBIGAN® have yielded strong sales performance within our glaucoma franchise. As one of the leading causes of preventable blindness in the United States,[2] glaucoma affects approximately 65 million people worldwide.[3] By offering patients more convenient therapies, Allergan is advancing treatment paradigms in this complex disease area while continuing to build market share.

(1) Vector One: National (VONA) from SDI, MAT Dec. 2008.

(2) American Glaucoma Society. Available at: http://www.glaucomaweb.org/displaycommon.cfm?an=10. Accessed March 2, 2009.

(3) Robin AL, Covert D. Does Adjunctive Glaucoma Therapy Affect Adherence to the Initial Primary Therapy? Ophthalmology, 2005: 112(5) : 863-868.

This same **Growth Equation** is creating value in our urologics specialty, evidenced by the uptake of SANCTURA XR® (trospium chloride extended release capsules) by urologists and OB/GYNs since its launch in early 2008. In clinical studies, SANCTURA XR® was shown to be effective and well tolerated by patients, demonstrating significant improvements in overactive bladder (OAB) symptoms. Dry mouth is a common side effect in this drug class, and SANCTURA XR® had a low incidence of dry mouth — just 10.7 percent in clinical studies. This is significant because as many as 70 percent of idiopathic OAB patients, the most common form of OAB, discontinue medication due to insufficient relief of symptoms or intolerable side effects (e.g., dry mouth, dry eyes, constipation, headache).[4]

In our core pharmaceutical areas, including eye care, neurosciences, medical dermatology and urologics, we have strong formulary and reimbursement positions with products that are well-differentiated and have established safety profiles. Further, we are strongly positioned with a pipeline that is focused on retinal disease and chronic migraine where the need for new treatment options is well recognized.

MEETING CONSUMER DEMAND FOR INNOVATION AND NEW OPTIONS IN OUR ELECTIVE BUSINESSES

Given both the regulatory and economic currents affecting the health care industry today, we have strategically sought to balance our stake in core pharmaceutical specialties where reimbursement plays an essential role with strong positions in elective, cash pay market segments such as medical aesthetics and obesity intervention.

Here, too, we know that sustained growth will be driven by innovation, which we seed by listening closely to our physician partners and by being adept at spotting new trends in consumer demands and expanding their choices for aesthetic rejuvenation. For example, both BOTOX® Cosmetic and our newest medical aesthetic offering LATISSE™ emerged from clinical experience with the therapeutic use of BOTOX® and LUMIGAN®, respectively, to treat serious medical conditions. Being attuned and responsive to the needs and opportunities in the marketplace also inspired our collaboration with Clinique Laboratories, LLC, the No. 1 prestige cosmetics brand in the United States, to develop the first comprehensive skin care regimen uniquely designed to complement in-office aesthetic procedures. Launched in the fall of 2008, the CLINIQUE MEDICAL brand has further established Allergan as a pioneer in physician-dispensed skin care by offering specialized products that are backed by clinical data and trusted by consumers.

In today's challenging health care environment, we also create opportunity by working hard to ensure that patients have access to the treatments and therapies that will help them live life to its fullest potential. For this reason, physician and patient awareness and education remain essential factors in our **Growth Equation**.

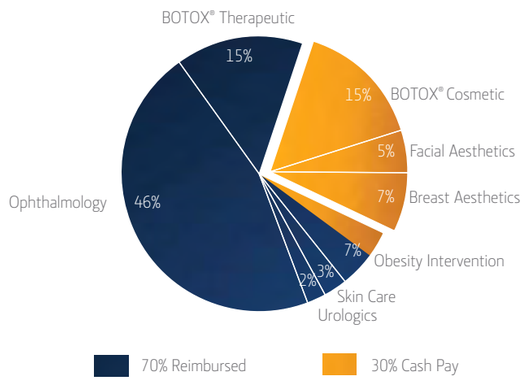
For instance, for women considering breast augmentation, revision or reconstructive surgery, we focus on helping them make sense of the options that are currently available. Specifically, we strive to direct those women interested in exploring their choices to the right resources, such as www.breastimplantanswers.com and www.natrelle.com, where they can find important safety information about implant options and the procedure, and locate surgeons in their area who will be their partner and ensure they obtain the best surgical experience possible.

In the fight against obesity, we are working to raise awareness about the science behind this disease and the health consequences associated with it. Obesity is caused by a wide range of factors, including genetics, metabolic disorders, physical and psychological challenges, lifestyle and poor nutrition. It often is necessary to address a number of these factors in order for patients to obtain sustained weight loss, reduce health risks associated with obesity and achieve their desired personal goals for healthy living and wellness. To that end, Allergan offers patients who are undergoing the LAP-BAND® System procedure a comprehensive, online patient support program, My LAP-BAND® Journey, available on www.lapband.com. My LAP-BAND® Journey is an interactive and personalized support program that offers tools and services to assist patients pre- and post-surgery in making the nutritional and lifestyle changes necessary to achieve success over the long term.

With specialty product lines focused on high-growth markets, Allergan is able to dig deeply to identify areas where our scientific leadership intersects with medical need and consumer demand.

DIVERSIFIED BUSINESS SEGMENTS
70% REIMBURSED VS. 30% CASH PAY
(Approximate Estimates)

FY 2008 $4.3 BILLION +12%



(4) Intercontinental Medical Statistics (IMS) data.

Product Overview

Overview of Specialties

With specialty product lines focused on high-growth markets, Allergan is able to dig deeply to identify areas where our scientific leadership intersects with medical need and consumer demand. We are also frequently the preferred partner for companies and inventors seeking a collaboration to bring their technology to market. This ability is what makes it possible for us to offer physicians and patients best-in-class treatments and maintain a robust pipeline for continuous innovation.

Eye Care

Since Allergan was founded nearly 60 years ago, we have discovered and developed some of the world's leading medicines to help protect and preserve vision, including important therapies for patients suffering from glaucoma, dry eye, retinal and external eye diseases.

For the past seven years, Allergan has been the fastest-growing global eye care pharmaceutical company.[1] The market for ophthalmics, including eye care pharmaceuticals and over-the-counter eye care products, is approximately $12.5 billion, growing at a rate of 9 percent.[1] Allergan's share in this market is 16 percent.[1]

(1) Intercontinental Medical Statistics (IMS): 48 countries rollup, Q3 2008, in constant currency for the trailing 12 months, as of September 2008.

FLAGSHIP PRODUCTS:

Dry Eye

OPTIVE™ Lubricant Eye Drops and OPTIVE™ Sensitive Preservative-Free Lubricant Eye Drops
OPTIVE™ is an over-the-counter artificial tear with a dual-action, unique formula that lubricates and hydrates eyes to provide long-lasting relief from dry eye symptoms.

REFRESH® Brand Products
The REFRESH® brand of artificial tears offers a wide range of over-the-counter products to provide temporary relief and protection from dry eye symptoms.

RESTASIS®
(cyclosporine ophthalmic emulsion) 0.05%
RESTASIS® is the first, and currently the only, prescription eye drop that helps to increase the eyes' natural ability to produce real tears which may be suppressed by inflammation due to chronic dry eye.

Glaucoma

ALPHAGAN® and ALPHAGAN® P (brimonidine tartrate ophthalmic solution) 0.2%, 0.1% and 0.15%
ALPHAGAN® P 0.1% and ALPHAGAN® P 0.15% are approved by the FDA in the United States to lower intraocular pressure (IOP) in patients with open-angle glaucoma and ocular hypertension. ALPHAGAN® 0.2% is available in the majority of countries outside the United States.

COMBIGAN®
(brimonidine tartrate/timolol maleate ophthalmic solution) 0.2%/0.5% fixed combination therapy
COMBIGAN® is a twice-daily prescription eye drop indicated for the reduction of elevated IOP in patients with glaucoma or ocular hypertension, who require adjunctive or replacement therapy due to inadequately controlled IOP.

GANFORT™
(bimatoprost/timolol ophthalmic solution) 0.03%/0.5%
GANFORT™ is a LUMIGAN® and timolol fixed-combination product approved by the European Commission and many other regulatory agencies outside of the United States and is indicated for the reduction of IOP in patients with open-angle glaucoma or ocular hypertension who are insufficiently responsive to topical beta-blockers or prostaglandin analogues.

LUMIGAN®
(bimatoprost ophthalmic solution) 0.03%
LUMIGAN® is indicated to reduce elevated IOP in patients with open-angle glaucoma or ocular hypertension.

External Diseases

ACULAR® and ACULAR LS® (ketorolac tromethamine ophthalmic solution) 0.5% and 0.4%
ACULAR® and ACULAR LS® are non-steroidal anti-inflammatory drugs (NSAID) indicated to reduce pain, burning and stinging following corneal refractive surgery.

PRED FORTE®
(prednisolone acetate ophthalmic suspension, USP) 1%
PRED FORTE® is a topical anti-inflammatory agent that eye care professionals may prescribe to relieve redness, irritation and swelling due to inflammation of the eye.

ZYMAR®
(gatifloxacin ophthalmic solution) 0.3%
ZYMAR® is the first FDA-approved fourth-generation topical fluoroquinolone indicated for the treatment of bacterial conjunctivitis (commonly referred to as "pink eye").

Retina

TRIVARIS™
(triamcinolone acetonide injectable suspension)
In 2008, Allergan received FDA approval of TRIVARIS™. Delivered via intravitreal injection, the ophthalmic indications for TRIVARIS™ include a range of inflammatory conditions that can result in vision loss, including sympathetic ophthalmia, temporal arteritis, uveitis, and ocular inflammatory conditions unresponsive to topical corticosteroids. Allergan plans to launch TRIVARIS™ in 2009.

Neurosciences

For 20 years Allergan has been committed to the research and clinical development of BOTOX® to treat people around the world who suffer from a variety of serious or debilitating disorders. Today, we are the world leader in neuromodulators. Building on this heritage, Allergan is now pursuing the clinical development of additional indications for BOTOX® for the treatment of chronic migraine, post-stroke upper limb spasticity, overactive bladder (OAB) and benign prostate hyperplasia. Furthermore, Allergan has advanced research programs in place for a new neuromodulator for pain and a novel next generation neuromodulator with an even greater specific mode of action and longer duration.

(1) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc. in U.S. dollars at actual exchange rates for 12 months ending September 2008.

The worldwide market for neuromodulators is approximately $1.6 billion, growing at a rate of approximately 18 percent.[1] Allergan's market share is approximately 83 percent and has exceeded 80 percent for the last 10 years.[1] The top 10 markets for neuromodulators equal approximately $1.3 billion, growing at a rate of approximately 11 percent.[2] Allergan's share in these markets is approximately 91 percent.[1]

BOTOX®
(botulinum toxin type A)
- Since its first approval by the FDA in 1989, BOTOX® has been recognized by regulatory authorities worldwide as a safe and effective treatment for 21 different indications in approximately 80 countries, benefiting millions of patients.
- More than 18 million vials of BOTOX® have been distributed between 1989 and 2009,[3] and approximately 15 million treatment sessions have been performed worldwide to date.[3]
- In addition to extensive clinical experience with the product, the safety and efficacy of BOTOX® has been studied in approximately 50 randomized, placebo-controlled clinical trials.[3] Additionally, approximately 11,000 patients have been treated with the product in Allergan-sponsored trials.[3]
- With approximately 2,100 publications on botulinum toxin type A in scientific and medical journals,[3] BOTOX® is the most widely researched neurotoxin in the world.

In the United States, approved medical uses for BOTOX® include:
- Cervical dystonia (involuntary contractions of the neck muscles causing twisting, repetitive movements, or abnormal postures of the head, and/or neck pain)
- Severe primary axillary hyperhidrosis (excessive underarm sweating) inadequately managed with topical agents
- Blepharospasm (uncontrollable eye blinking)
- Strabismus (crossed eyes)

(2) Allergan estimates of top 10 markets in constant currency for 12 months ending September 2008.
(3) Allergan data on file.

Medical Aesthetics

As the global leader in medical aesthetics, Allergan is deeply committed to *The Science of Rejuvenation*™ — that is, to developing and delivering high-quality, science-based aesthetic solutions and experiences for women and men, and to providing information to help them make the most well-informed aesthetic choices based on their own individual needs and treatment goals. Today, Allergan is the largest company in the worldwide medical aesthetics market.[3]

In a worldwide market for dermal facial fillers of approximately $730 million, growing at a rate of approximately 17 percent, Allergan's market share is approximately 31 percent.[1] The worldwide market for breast aesthetics (aesthetic and reconstructive) is approximately $820 million, growing at a rate of approximately 13 percent, and Allergan's worldwide market share is approximately 39 percent.[1]

FLAGSHIP PRODUCTS:

BOTOX® Cosmetic / VISTABEL® / VISTABEX® / BOTOX VISTA®
(botulinum toxin type A)
BOTOX® Cosmetic / VISTABEL® / VISTABEX® / BOTOX VISTA® is a simple, non-surgical procedure for the temporary improvement in the appearance of moderate to severe glabellar lines (the vertical frown lines between the eyebrows that look like an "11") in adults ages 18-65. The product is approved for this aesthetic use in approximately 60 countries worldwide.

CLINIQUE MEDICAL
Launched in October 2008 and available exclusively through skin care physicians' offices in the United States, the CLINIQUE MEDICAL product line is scientifically designed and clinically proven to complement select in-office aesthetic procedures such as Intense Pulsed Light (IPL) or fractionated laser treatments, chemical peels and microdermabrasion. The products in the CLINIQUE MEDICAL Optimizing Regimen kit work together to help improve the skin's receptivity to the procedure benefits and to aid in the recovery process by helping to manage post-procedure visible excess redness and irritation, encourage even skin tone and enhance skin's resilience to the visible signs of aging. The CLINIQUE MEDICAL line also includes the Dry Spot Balm, an ultra-hydrating lip and facial spot balm designed to alleviate severe dryness and the associated discomfort related to some prescription medications.

JUVÉDERM® Ultra, JUVÉDERM® Ultra Plus
JUVÉDERM® Ultra and JUVÉDERM® Ultra Plus are hyaluronic acid (HA) dermal fillers and the only HA dermal fillers that are FDA-approved to last one year from initial treatment, providing a smooth, long-lasting correction of moderate to severe facial wrinkles and folds. The JUVÉDERM® line is the first and only smooth consistency gel formulation, and the only HA dermal filler developed using the proprietary HYLACROSS™ technology, a technologically advanced manufacturing process that results in a malleable, smooth gel. A formulation of JUVÉDERM® with lidocaine is available in Europe, Canada, Australia and parts of the Latin America and Asia Pacific regions. Approval of the JUVÉDERM® with lidocaine formulation is pending in the United States.

LATISSE™
(bimatoprost ophthalmic solution) 0.03%
LATISSE™, approved by the FDA in December 2008, is the first and only science-based prescription treatment for hypotrichosis (another name for having inadequate or not enough eyelashes). LATISSE™ helps eyelashes grow longer, fuller and darker. Launched in the United States in January 2009, LATISSE™ is a once-a-day treatment applied topically to the base of the upper eyelashes.

M.D. FORTÉ® Skin Care Products
M.D. FORTÉ® is a comprehensive, personalized skin care regimen that combines scientific acumen and natural products to achieve healthy and beautiful skin.

***Natrelle*® Gel and Saline Breast Implants**
Natrelle® gel and saline breast implants offer women the widest range of breast implant options for breast augmentation, revision and reconstructive surgery. From saline and silicone gel filler, to smooth and textured surfaces, and a range of shapes, profiles and volumes, women today have more options than ever before in breast aesthetics to achieve an individualized result based on their unique body types and surgical goals.

PREVAGE® MD
PREVAGE® MD is the most powerful antioxidant available to help correct present damage and protect skin from future damage with physician-strength idebenone 1%.[1]

VIVITÉ®
VIVITÉ® is an advanced glycolic acid and natural antioxidant system formulated with GLX Technology™ for skin rejuvenation. A scientific advancement in skin care, VIVITÉ® is clinically shown to help reduce the skin's signs of aging in just three weeks. The VIVITÉ® line expanded in 2008, with the addition of VIVITÉ® Vibrance Therapy to brighten skin and combat uneven skin tone, as well as VIVITÉ® Daily Facial Moisturizer with SPF 30.

Medical Dermatology

Facing the world is not always easy for patients suffering from serious skin conditions. Dedicated to meeting the needs of these patients and the dermatology community, Allergan has developed some of the most technologically advanced dermatologic products to treat skin diseases such as acne and psoriasis as well as enhance the appearance of healthy skin.

According to the National Institutes of Health, between 5.8 million and 7.5 million Americans are estimated to suffer from psoriasis.[2] An estimated 80 percent of all people between the ages of 11 and 30 years experience acne outbreaks at some point.[3] And an estimated 8 million Americans suffer from severe primary axillary hyperhidrosis (excessive underarm sweating).[4]

The U.S. topical market for acne and psoriasis is roughly $1.8 billion, growing at a rate of 2 percent, and Allergan's share is 6 percent.[5]

(1) McDaniel DH, Neudecker BA, DiNardo JC, Lewis JA II, Maibach HI. Idebenone: A New Antioxidant – part 1. Relative Assessment of Oxidative Stress Protection Capacity Compared to Commonly Known Antioxidants. J Cosmet Dermatol. 2005;4(1): 10-17.
(2) National Psoriasis Foundation. About Psoriasis: Statistics. Available at: http://www.psoriasis.org/about/stats/index.php. Accessed: March 2, 2009.

FLAGSHIP PRODUCTS:

ACZONE® Gel 5%
(dapsone)
ACZONE® gel 5% contains the first new FDA-approved chemical entity for acne treatment since our TAZORAC® (tazarotene) gel was approved in 1997. ACZONE® utilizes dapsone in a well-tolerated topical formulation to provide patients with a convenient and effective therapy. Allergan launched ACZONE® in the United States in November 2008.

AVAGE® Cream 0.1%
(tazarotene)
AVAGE® is approved as an adjunctive agent in the topical treatment of facial fine wrinkling, mottled facial hypo- and hyperpigmentation (blotchy skin discoloration), and benign facial lentigines (flat patches of skin discoloration) in patients using a comprehensive skin care and sunlight avoidance regimen.

BOTOX®
(botulinum toxin type A)
BOTOX® is approved for the treatment of severe primary axillary hyperhidrosis — excessive underarm sweating — that is not adequately managed by topical agents. BOTOX® works by temporarily blocking the chemical signals from the nerves that stimulate the sweat glands.

TAZORAC® Cream and Gel
(tazarotene) 0.1% and 0.05%
Available in the United States and Canada, TAZORAC® (tazarotene) cream or gel 0.1% and 0.05% are topical receptor-selective retinoids. TAZORAC® is clinically proven to effectively treat both acne and psoriasis. In Europe and certain other markets, the product is available under the ZORAC® brand name.

(3) National Institute of Arthritis and Musculoskeletal and Skin Disease. National Institutes of Health. What is acne? Fast facts: an easy-to-read series of publications for the public. Available at: http://www.niams.nih.gov/health_info/acne/default.asp#acne_d. Accessed: March 2, 2009.
(4) American Academy of Dermatology. Press Release. Effective Treatments Mean Excessive Sweating Patients No Longer Swimming in Anxiety. February 9, 2004.
(5) Intercontinental Medical Statistics (IMS): U.S. only. Q3 2008 for the trailing 12 months, as of September 2008.

Obesity Intervention

Over the last 50 years obesity has emerged as a major health crisis, affecting approximately 400 million adults worldwide.[1] Allergan continues to fight the growing obesity epidemic with a portfolio of innovative, implantable medical devices to help achieve and support sustained weight loss, reduce health risks associated with obesity and help patients obtain their goals for healthy living and wellness.

In a worldwide bariatric surgery market (gastric band and balloon segments only) that is approximately $370 million and growing at a rate of roughly 30-35 percent, Allergan's market share is approximately 75-80 percent.[2]

FLAGSHIP PRODUCTS:

LAP-BAND® and LAP-BAND AP® Adjustable Gastric Banding System
The LAP-BAND® Adjustable Gastric Banding System is the first adjustable gastric band for use in weight reduction approved by the FDA in the United States. Used in more than 450,000 procedures worldwide to date,[3] this reversible surgically implanted device has safely helped severely obese adults successfully achieve and maintain long-term weight loss. The LAP-BAND® System is approved for use with severely obese adults with a Body Mass Index (BMI) of 40 or more or for adults with a BMI of at least 35 plus at least one severe obesity-related health condition, such as Type 2 diabetes, hypertension or asthma. The LAP-BAND AP® System, launched in 2007, is an evolution of the LAP-BAND® System developed to meet the needs of a wide range of patients. The LAP-BAND AP® System represents the most advanced technology currently available in gastric banding.

ORBERA™ Intragastric Balloon System
ORBERA™ Intragastric Balloon System (formerly known as the BIB™ System) is a non-surgical alternative for the treatment in overweight and obese adults. It is made of durable, elastic, high-quality silicone balloon. The ORBERA™ System is endoscopically placed and inflated with saline solution, and works by partially filling the stomach to induce a feeling of fullness, thereby reducing patients' intake of food. The device is designed for temporary use with a maximum placement time of six months. The ORBERA™ System is currently available outside the United States.

Urologics

With the 2007 acquisition of SANCTURA XR®, Allergan has committed to developing a product portfolio that addresses the full continuum of care for overactive bladder (OAB) and other urologic conditions that can have a profound impact on quality of life. OAB is a condition that affects approximately 33 million Americans, with prevalence expected to grow significantly as the population ages.[4]

FLAGSHIP PRODUCTS:

SANCTURA XR® (trospium chloride extended release capsules)
Allergan launched SANCTURA XR® in the United States in early 2008. SANCTURA XR® belongs to a drug class of anticholinergic agents known as muscarinic receptor antagonists, which work by relaxing smooth muscle tissue found in the bladder, thus decreasing bladder contractions that are thought to be a cause of OAB. In clinical studies, SANCTURA XR® was shown to be effective and well tolerated by patients, demonstrating significant improvements in OAB symptoms. Dry mouth is a common side effect in this drug class, and SANCTURA XR® has a low incidence of dry mouth — just 10.7 percent in clinical studies. This is significant because as many as 70 percent of idiopathic OAB patients, the most common form of OAB, discontinue medication due to insufficient relief of symptoms or intolerable side effects (e.g., dry mouth, dry eyes, constipation, headache).[5]

(1) World Health Organization. Obesity and Overweight. Fact Sheet No. 311. September 2006. Available at: http://www.who.int/mediacentre/factsheets/fs311/en/print.html. Accessed: March 2, 2009.

(2) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc. in U.S. dollars at actual exchange rates for 12 months ending September 2008.

(3) Allergan data on file.

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

(5) Intercontinental Medical Statistics (IMS) data.

Global reach =

Increasing our footprint in
EMERGING COUNTRIES

+

Solidifying our share in
ESTABLISHED MARKETS

The third major factor in Allergan's **Growth Equation** is the extension of our leadership presence in more than 100 countries worldwide, which we have accomplished based on measured assessments of where our scientific innovations can enable more patients to benefit from advanced treatment options. In 2008, this strategy generated overall positive performance in key regions around the world, in spite of the effects of the global economic climate largely affecting the United States and Europe. We achieved this by increasing our footprint in emerging markets and by solidifying our share in established ones with new product launches and patient education campaigns. We also laid a foundation for growth in these markets with valuable investments in infrastructure that will enable us to reach further toward new frontiers in the years to come.

ASIA PACIFIC

2008 was a year of strong growth for Allergan in the Asia Pacific region. We are driving positive sales in Asia by building our share in the fast-growing eye care and medical aesthetics segments, by pursuing potential in Australia and Japan, and by charting new paths in the emerging markets of Korea and China.

As we deepen our presence in the Asia Pacific region, we are positioning Allergan to take full advantage of the rapid growth projected over the long term. In Australia, where there is much interest in tackling the health consequences of obesity and co-morbid conditions, our LAP-BAND® System franchise grew substantially in 2008. In Korea, BOTOX® was approved for the treatment of severe primary axillary hyperhidrosis and post-stroke upper limb spasticity, and for aesthetic use for the temporary improvement in the appearance of moderate to severe glabellar lines. And, we established our own direct selling and marketing organization in Korea. In Japan, through Allergan's partnership with GlaxoSmithKline (GSK), we secured approvals of BOTOX® for the treatment of juvenile cerebral palsy and the approval of BOTOX® for aesthetic use under the name BOTOX VISTA® in early 2009. With the approval of BOTOX® to treat juvenile cerebral palsy, the anticipated uptake of BOTOX VISTA®, as well as the pending approval of LUMIGAN® through our partnership with Senju Pharmaceutical Company, Japan's leading eye care company, we look forward to strong performance in Japan during 2009 and beyond.

Allergan also is pursuing significant opportunities in China and India. In 2008 we began developing a significant sales presence in China to capitalize on the demand for eye care and medical aesthetics products in this region. By the end of 2009 we anticipate establishing a sizeable sales organization in China — a notable achievement, considering that at the beginning of 2008, Allergan had virtually no sales presence in this country. And, in India we are building on our strong eye care presence to create a dynamic aesthetics market.

EUROPE, AFRICA, MIDDLE EAST

Allergan's strategic focus on high-growth specialty areas enabled us to build value in key markets across Europe, Africa and the Middle East. We also are continuing to pursue potential in the fast-growing markets of Eastern Europe including Poland, the Czech Republic and Hungary, with further expansion planned for Romania, Russia and the Ukraine in 2009 and 2010.

In 2008, we continued to vigorously expand our position in eye care pharmaceuticals with the continued rollouts of OPTIVE™ Lubricant Eye Drops, and COMBIGAN® and GANFORT™ in different countries across Europe.

Also, in Europe Allergan's facial aesthetics franchise has historically performed well. Allergan capitalized on this growing demand with the launch of JUVÉDERM® Ultra with lidocaine across the region, supported with our first direct-to-consumer awareness campaign in France and the United Kingdom. The TV and print-based advertising campaign represented an important step in demonstrating our commitment to helping consumers and physicians make fully informed choices about the options available to them, while generating consumer interest in the JUVÉDERM® franchise. We also invested in initiatives and infrastructure such as the inauguration of a new manufacturing facility in Pringy, France, to expand capacity for our JUVÉDERM® dermal filler line.

LATIN AMERICA

Our medical aesthetics, eye care and obesity intervention product portfolios have been important drivers for growth across Latin America. By maintaining our deep engagement with physicians and patients, Allergan has been able to pinpoint the areas where unmet need is greatest. For example, our recognition of the growing desire for innovative facial aesthetics treatments facilitated the successful uptake of our hyaluronic acid (HA) dermal filler line in Latin America in 2008, while its launch regionally surpassed the sales of its main competitor *Restylane*®.

And in eye care, the launch of OPTIVE™ in Latin America is creating new opportunities for Allergan regionally as well, as it sets a new standard with strong product differentiation in the competitive segment of artificial tears.

Looking forward, Allergan plans to build on these achievements in Latin America through our robust pipeline of new products in each of these fast-growing specialties, with the anticipated launch of JUVÉDERM® with lidocaine in 2009.

NORTH AMERICA

By keeping the organization focused on top-line growth in challenging economic times, Allergan achieved significant sales growth in North America in 2008, while gaining market share in the majority of our core businesses. Key factors in this achievement included a forward-looking, customer-focused strategy and close work with payors to ensure greater patient access and reimbursement for our glaucoma, neurosciences and other consumer health products. In medical aesthetics, we confronted the downturn in consumer spending with new and exciting aesthetic options such as LATISSE™, and by continuing to advance our regulatory filings and fuel R&D efforts to ensure strong growth drivers in our portfolio going forward, such as the anticipated approval of JUVÉDERM® with lidocaine in the United States. In Canada, a strong collaborative and cross-functional approach to regulatory matters led to success in obtaining approvals for both JUVÉDERM® with lidocaine and VOLUMA™, an additional advanced dermal filler.

Market Growth

YEAR-TO-DATE [1]	SIZE OF WORLD MARKET ($ MILLIONS) [2]
The obesity intervention market grew at 30-35 percent	$ 370
The dermal filler market grew at 17 percent	$ 730
The breast aesthetics market grew at 13 percent	$ 820
The neuromodulator market grew at 18 percent	$ 1,600
The ophthalmics market grew at 9 percent	$12,500

(1) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc. for U.S. dollar growth at actual rates year-to-date from January 2008 through September 2008.

(2) Mixture of public information (earnings releases, 10Ks, 10Qs), Allergan internal data, syndicated marketing research reports, analyst reports, Internet searches, competitive intelligence, etc. U.S. dollar sales at actual rates rounded to nearest $100 million for 12 months ending September 2008.

Board of Directors

FROM LEFT TO RIGHT

TOP ROW

Herbert W. Boyer, Ph.D.
Robert A. Ingram
Gavin S. Herbert
Louis J. Lavigne, Jr.
Michael R. Gallagher
Stephen J. Ryan, M.D.
Dawn Hudson

BOTTOM ROW

David E.I. Pyott
Deborah Dunsire, M.D.
Trevor M. Jones, Ph.D.
Leonard D. Schaeffer
Russell T. Ray

DAVID E.I. PYOTT, 55

Chairman of the Board and Chief Executive Officer

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

HERBERT W. BOYER, Ph.D., 72

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

DEBORAH DUNSIRE, M.D., 46

Appointed to the Board effective December 2006. In July 2005, Dr. Dunsire became President and Chief Executive Officer of Millennium Pharmaceuticals, Inc., based in Cambridge, Massachusetts. In May of 2008, post acquisition by Takeda Pharmaceuticals Inc. of Osaka, Japan, Millennium became Millennium: The Takeda Oncology Company. Dr. Dunsire continues to serve as President and Chief Executive Officer. Prior to joining Millennium Pharmaceuticals, Dr. Dunsire led the Novartis U.S. Oncology Business, playing a critical role in the broad development and successful launch of a number of products. Dr. Dunsire was also responsible for managing the merger and significant growth of the combined Sandoz Pharmaceuticals and Ciba-Geigy oncology businesses. Dr. Dunsire served on the U.S. pharmaceutical Executive Committee at Novartis. Dr. Dunsire is currently a board member of the Pharmaceutical Research and Manufacturers of America (PhRMA) and a member of the board of the Biotechnology Industry Organization (BIO).

MICHAEL R. GALLAGHER, 63

Elected to the Board in 1998. In 2004, Mr. Gallagher retired as Chief Executive Officer and as a Director of Playtex Products, Inc. Prior to joining Playtex in 1995, Mr. Gallagher was Chief Executive Officer of North America for Reckitt & Colman plc; President and Chief Executive Officer of Eastman Kodak's subsidiary, L&F Products; President of the Lehn & Fink Consumer Products Division at Sterling Drug, General Manager of the Household Products Division of the Clorox Company, and Brand Manager of The Procter & Gamble Company. Mr. Gallagher is a member of the Board of Advisors of the Haas School of Business, University of California, Berkeley.

GAVIN S. HERBERT, 76

Founder of Allergan and Chairman Emeritus since 1996. Mr. Herbert was elected to the Board in 1950. He served as Chief Executive Officer for 30 years and as Chairman from 1977 to 1996. Mr. Herbert is Chairman and Founder of Regenesis Bioremediation Products. Mr. Herbert also serves on the Board of the Doheny Eye Institute and of The Richard Nixon Library and Birthplace Foundation and the Advisory Board for the Foundation of the American Academy of Ophthalmology. Mr. Herbert is Chairman of Roger's Gardens, Vice Chairman of the Beckman Foundation, and a Life Trustee of the University of Southern California.

DAWN HUDSON, 51

Appointed to the Board effective January 2008. Ms. Hudson was the President and Chief Executive Officer of Pepsi-Cola North America (PCNA), the multi-billion dollar refreshment beverage unit of PepsiCo in the United States and Canada until November 2007, where she served as President since May 2002 and Chief Executive Officer since March 2005. In addition, Ms. Hudson served as Chief Executive Officer of the PepsiCo Foodservice Division from March 2005 to November 2007. Prior to joining PepsiCo, Ms. Hudson was Managing Director at D'Arcy Masius Benton & Bowles, a leading advertising agency based in New York. In 2006 and 2007, Ms. Hudson was named among *Fortune Magazine*'s "50 Most Powerful Women in Business." In 2002, Ms. Hudson received the honor of "Advertising Woman of the Year" by Advertising Women of New York. Ms. Hudson was also inducted into the American Advertising Federation's Advertising Hall of Achievement, and has been featured twice in *Advertising Age*'s "Top 50 Marketers." Ms. Hudson is Chairperson of the Board of the LPGA and is a director of Lowe's Companies, Inc.

ROBERT A. INGRAM, 66

Appointed to the Board in 2005 and elected in 2006. Since January 2003, Mr. Ingram has been the Vice Chairman, Pharmaceuticals of GlaxoSmithKline plc, a corporation involved in the research, development, manufacturing and sale of pharmaceuticals. Mr. Ingram was Chief Operating Officer and President, Pharmaceutical Operations of GlaxoSmithKline plc from January 2001 until his retirement in January 2003. Prior to that, Mr. Ingram was Chief Executive Officer of Glaxo Wellcome plc from October 1997 to December 2000; and Chairman of Glaxo Wellcome Inc., Glaxo Wellcome plc's United States subsidiary, from January 1999 to December 2000. Mr. Ingram is Chairman of the Board of OSI Pharmaceuticals, Inc. and is a director of Edwards Lifesciences Corporation, Lowe's Companies, Inc., Valeant Pharmaceuticals International and Cree, Inc.

TREVOR M. JONES, Ph.D., 66

Appointed to the Board in 2004 and elected in 2005. From 1994 to 2004, Prof. Jones was the Director General of the Association of the British Pharmaceutical Industry (ABPI). From 1987 to 1994, Prof. Jones was a main Board Director at Wellcome plc. Prof. Jones received his bachelor of pharmacy degree and Ph.D. from the University of London. Prof. Jones has also gained an honorary doctorate from the University of Athens as well as honorary doctorates in science from the Universities of Strathclyde, Nottingham, Bath and Bradford in the United Kingdom. Furthermore, Prof. Jones was recognized in the Queen's Honors List and holds the title of Commander of the British Empire. Prof. Jones is also a fellow of the Royal Society of Chemistry, a fellow of the Royal Society of Medicine, a fellow of The Royal Pharmaceutical Society, an honorary fellow of the Royal College of Physicians and of its Faculty of Pharmaceutical Medicine, and an honorary fellow of the British Pharmacological Society. Prof. Jones is Chairman of the Board of ReNeuron Group plc, People in Health Ltd, and Synexus Ltd, and a board member of Merlin Biosciences' Funds I and II and NextPharma Technologies Holdings Ltd., Sigma-Tau Finanziaria S.p.A., and Verona Pharma plc. Prof. Jones is also a founder of the Geneva-based public-private partnership, Medicines for Malaria Venture and the UK Stem Cell Foundation.

LOUIS J. LAVIGNE, JR., 60

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

RUSSELL T. RAY, 61

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

STEPHEN J. RYAN, M.D., 68

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

LEONARD D. SCHAEFFER, 63

Elected to the Board in 1993. Mr. Schaeffer is Senior Advisor to TPG, a private equity firm. From November 2004 to November 2005, Mr. Schaeffer served as Chairman of the Board of WellPoint, Inc., an insurance organization created by the combination of WellPoint Health Networks, Inc. and Anthem, Inc., which owns Blue Cross of California, Blue Cross Blue Shield of Georgia, Blue Cross and Blue Shield of Missouri, Blue Cross Blue Shield of Wisconsin, Anthem Life Insurance Company, Health Link and Unicare. From 1992 until 2004, Mr. Schaeffer served as Chairman of the Board and Chief Executive Officer of WellPoint Health Networks, Inc. Mr. Schaeffer was the Administrator of the U.S. Health Care Financing Administration, now CMS, from 1978 to 1980. Mr. Schaeffer is Chairman of the Board of Surgical Care Affiliates, Inc. and is a member of the Board of Directors of Amgen, Inc., Quintiles Transnational Corp., the Advisory Board of the National Institute for Health Care Management, the Board of Fellows at Harvard Medical School and is a member of the Institute of Medicine. In 2008, Mr. Schaeffer was named a Judge Widney Professor and Chair at the University of Southern California.

Executive Committee

FROM LEFT TO RIGHT
Jeffrey L. Edwards
Douglas S. Ingram, J.D.
Dianne Dyer-Bruggeman
David E.I. Pyott
F. Michael Ball
Raymond H. Diradoorian
Scott M. Whitcup, M.D.

DAVID E.I. PYOTT, 55
Chairman of the Board and Chief Executive Officer

Mr. Pyott also served as President from January 1998 until February 2006. Mr. Pyott joined Allergan in January 1998. Previously, he was head of the Nutrition Division and a member of the Executive Committee of Novartis AG from 1995 through 1997. Mr. Pyott has more than 25 years of international experience in nutrition and health care and has worked in Austria, Germany, the Netherlands, Spain, Switzerland, Malaysia and Singapore. Mr. Pyott holds a diploma in German and European Law from the Europa Institute at the University of Amsterdam, a Master of Arts degree from the University of Edinburgh, and a Master of Business Administration degree from the London Business School. He also has been honored in the Queen's Birthday Honors List in 2006 and holds the title of Commander of the British Empire.

F. MICHAEL BALL, 53
President

Mr. Ball has been President since February 2006. Mr. Ball joined Allergan in 1995, and served as Executive Vice President and President, Pharmaceuticals, since October 2003. Born in Canada, Mr. Ball was educated in the United Kingdom and United States before receiving his Bachelor of Science and Master of Business Administration degrees from Queen's University in Canada. He is the former President of Syntex Inc. Canada and Senior Vice President of Syntex Laboratories USA, where he served on Syntex Corporation's Management Committee. Mr. Ball has more than 27 years of international health care experience in the marketing and sale of pharmaceutical products.

RAYMOND H. DIRADOORIAN, 51
Executive Vice President, Global Technical Operations

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

DIANNE DYER-BRUGGEMAN, 59
Executive Vice President, Human Resources

Ms. Dyer-Bruggeman has served as Executive Vice President, Human Resources and as a member of Allergan's Executive Committee since December 2008. Prior to joining Allergan, Ms. Dyer-Bruggeman served as Senior Vice President, Global Human Resources at Broadcom Corporation, where she oversaw Broadcom's global human resources department. Ms. Dyer-Bruggeman joined Broadcom in April 2004. From June 1995 to April 2004, Ms. Dyer-Bruggeman served as Vice President, Human Resources for Titan Corporation. Ms. Dyer-Bruggeman graduated from Ithaca College in New York with a B.A. in language and education.

JEFFREY L. EDWARDS, 48
Executive Vice President, Finance and Business Development, Chief Financial Officer

Mr. Edwards has been Executive Vice President, Finance and Business Development, Chief Financial Officer, since September 2005. Mr. Edwards joined Allergan in 1993. From March 2003 to September 2005, Mr. Edwards served as Corporate Vice President, Corporate Development and previously served as Senior Vice President, Treasury, Tax and Investor Relations. Prior to joining Allergan, Mr. Edwards was with Banque Paribas and Security Pacific National Bank, where he held various senior-level positions in the credit and business development functions. Mr. Edwards completed the Advanced Management Program at the Harvard Business School and received a Bachelor of Arts degree in Sociology from Muhlenberg College.

DOUGLAS S. INGRAM, J.D., 46
Executive Vice President, Chief Administrative Officer, General Counsel and Secretary, and Chief Ethics Officer

Mr. Ingram has been Executive Vice President, Chief Administrative Officer, General Counsel and Secretary since October 2006. From October 2003 to October 2006, Mr. Ingram served as Executive Vice President, General Counsel and Secretary. Mr. Ingram joined Allergan from Gibson, Dunn & Crutcher LLP in 1996. Mr. Ingram has more than 20 years of experience in the management of domestic and international legal affairs. Mr. Ingram manages Allergan's Global Legal Affairs, Global Regulatory Affairs Compliance and Internal Audit, Corporate Communications, Global Trade Compliance and Information Technology organizations. Mr. Ingram is the Secretary to Allergan's Board of Directors. Mr. Ingram received his Juris Doctorate from the University of Arizona in 1988, graduating summa cum laude and Order of the Coif.

SCOTT M. WHITCUP, M.D., 49
Executive Vice President, Research And Development

Dr. Whitcup has been Executive Vice President, Research and Development, since July 2004. Dr. Whitcup joined Allergan in 2000. Prior to joining Allergan, Dr. Whitcup served as the Clinical Director of the National Eye Institute at the National Institutes of Health. As Clinical Director, Dr. Whitcup's leadership was vital in building the clinical research program and developing new therapies for ophthalmic diseases. Dr. Whitcup graduated from Cornell University and Cornell University Medical College. He completed residency training in internal medicine at the University of California, Los Angeles and in ophthalmology at Harvard University, as well as fellowship training in immunology at the National Institutes of Health. Dr. Whitcup is a faculty member at the Jules Stein Eye Institute/David Geffen School of Medicine at the University of California, Los Angeles.

OTHER EXECUTIVE OFFICER

JAMES F. BARLOW (NOT PICTURED)
Senior Vice President, Corporate Controller (Principal Accounting Officer)

Corporate Overview and Stockholders' Information

CORPORATE HEADQUARTERS
Allergan, Inc.
2525 Dupont Drive
Irvine, CA 92612-1599
(714) 246-4500

E-mail: corpinfo@allergan.com
Internet: www.allergan.com

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT
Wells Fargo Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0874
(800) 468-9716

Hearing Impaired # TDD:
(651) 450-4144

ANNUAL MEETING OF STOCKHOLDERS
The Annual Meeting of Stockholders of Allergan, Inc. will be held at the Hyatt Regency Irvine, 17900 Jamboree Road, Irvine, CA 92614, on April 30, 2009, at 10:00 a.m. Pacific Time.

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

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

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

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

MARKET PRICES OF COMMON STOCK AND DIVIDENDS
The following table shows the quarterly price range of the common stock and the cash dividends declared per share during the period listed.

	2008			2007		
Calendar Quarter	Low	High	Div	Low	High	Div
First	$53.51	$70.40	$0.05	$52.50	$60.61	$0.05
Second	51.00	60.29	0.05	55.15	62.50	0.05
Third	50.01	61.72	0.05	56.96	66.15	0.05
Fourth	28.95	52.78	0.05	60.79	69.15	0.05

Allergan common stock is listed on the New York Stock Exchange and is traded under the symbol "AGN." The approximate number of stockholders of record was 5,623 as of February 17, 2009.

TRADEMARKS
Except as set forth below, all product names appearing in capital letters are trademarks or service marks that are owned by, licensed to, and promoted by Allergan, Inc., its subsidiaries or affiliates. The following Allergan trademarks appear in this report: ACZONE, ALPHAGAN, ALPHAGAN P, BOTOX, BOTOX Cosmetic, BOTOX VISTA, COMBIGAN, GANFORT, INSPIRA, JUVÉDERM, JUVÉDERM Ultra and Ultra Plus, LAP-BAND, LAP-BAND AP, LATISSE, LUMIGAN, M.D. FORTÉ, NATRELLE, ORBERA, OPTIVE, POSURDEX, PRED FORTE, PREVAGE MD, REFRESH, RESTASIS, SANCTURA XR, TAZORAC, TRIVARIS, VISTABEL, VISTABEX, VIVITÉ, VOLUMA, ZORAC, and ZYMAR.

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Allergan, for the year ending December 31, 2008, continued its proud tradition of placement in the top quartile for environmental health and safety performance within its pharmaceutical company peer group. More information on its 2008 performance worldwide can be found by visiting the "Responsibility" section on Allergan's corporate Web site at www.allergan.com and selecting the "Environmental Health and Safety Information" page.

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

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