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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2009

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-10269

Allergan, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**95-1622442**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2525 Dupont Drive Irvine, California	**92612**
(Address of Principal Executive Offices)	(Zip Code)

(714) 246-4500

(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock, $0.01 Par Value	New York Stock Exchange
Preferred Share Purchase Rights	

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of June 30, 2009, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $14,430 million based on the closing sale price as reported on the New York Stock Exchange.

Common stock outstanding as of February 19, 2010 — 307,511,888 shares (including 3,511,177 shares held in treasury).

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates certain information by reference from the registrant's proxy statement for the annual meeting of stockholders to be held on April 29, 2010, which proxy statement will be filed no later than 120 days after the close of the registrant's fiscal year ended December 31, 2009.

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Statements made by us in this report and in other reports and statements released by us that are not historical facts constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21 of the Securities Exchange Act of 1934. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management based on our current estimates, expectations, forecasts and projections and include comments that express our current opinions about trends and factors that may impact future operating results. Disclosures that use words such as we "believe," "anticipate," "estimate," "intend," "could," "plan," "expect," "project" or the negative of these, as well as similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance and rely on a number of assumptions concerning future events, many of which are outside of our control, and involve known and unknown risks and uncertainties that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. We discuss such risks, uncertainties and other factors throughout this report and specifically under the caption "Risk Factors" in Item 1A of Part I of this report below. Any such forward-looking statements, whether made in this report or elsewhere, should be considered in the context of the various disclosures made by us about our businesses including, without limitation, the risk factors discussed below. Except as required under the federal securities laws and the rules and regulations of the U.S. Securities and Exchange Commission, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

PART I

Item 1. *Business*

General Overview of our Business

We are a multi-specialty health care company focused on developing and commercializing innovative pharmaceuticals, biologics and medical devices that enable people to live life to its greatest potential — to see more clearly, move more freely and express themselves more fully. Our diversified approach enables us to follow our research and development into new specialty areas where unmet needs are significant.

We discover, develop and commercialize specialty pharmaceutical, medical device and over-the-counter products for the ophthalmic, neurological, medical aesthetics, medical dermatology, breast aesthetics, obesity intervention, urological and other specialty markets in more than 100 countries around the world. Our diversified business model includes products for which consumers may be eligible for reimbursement and cash pay products that consumers pay for directly. Based on internal information and assumptions, we estimate that in fiscal year 2009, approximately 72% of our net product sales were derived from reimbursable products and 28% of our net product sales were derived from cash pay products.

We are a pioneer in specialty pharmaceutical, biologic and medical device research and development, with global efforts targeting products and technologies related to eye care, skin care, neuromodulators, medical aesthetics, obesity intervention, urology and neurology. In 2009, our research and development expenditures were approximately 15.9% of our product net sales or approximately $706.0 million. We supplement our own research and development activities with our commitment to identify and obtain new technologies through in-licensing, research collaborations, joint ventures and acquisitions.

In March 2006, we acquired Inamed Corporation, or Inamed, a global health care manufacturer and marketer of breast implants, a range of dermal filler products to correct facial wrinkles, and bariatric medical devices for approximately $3.3 billion, consisting of approximately $1.4 billion in cash and 34,883,386 shares of our common stock.

In the first quarter of 2007, we acquired Groupe Cornéal Laboratoires, or Cornéal, a health care company that develops, manufactures and markets dermal fillers, for approximately $209.2 million, net of cash acquired. The acquisition of Cornéal expanded our marketing rights to *Juvéderm*® and a range of hyaluronic acid dermal fillers from the United States, Canada and Australia to all countries worldwide and provided us with control over the manufacturing process and future research and development of *Juvéderm*® and other dermal fillers.

In the fourth quarter of 2007, we acquired Esprit Pharma Holding Company, Inc., or Esprit, for approximately $370.8 million, net of cash acquired. By acquiring Esprit, we obtained an exclusive license to

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market *Sanctura*® (trospium chloride), or *Sanctura*®, and *Sanctura XR*® (trospium chloride extended release capsules), or *Sanctura XR*®, anticholinergics approved for the treatment of overactive bladder, or OAB, in the United States and its territories from Indevus Pharmaceuticals, Inc., or Indevus. We launched *Sanctura XR*® in the United States in the first quarter of 2008. In the second quarter of 2008, we entered into a license agreement with Indevus and Madaus GmbH, which grants us the right to seek approval for and to commercialize *Sanctura XR*® in Canada. In the first quarter of 2010, Health Canada, the Canadian national regulatory body, approved *Sanctura XR*®.

In the third quarter of 2008, we acquired *Aczone*® (dapsone) gel 5% from QLT USA, Inc., or QLT, a wholly-owned subsidiary of QLT Inc. for approximately $150 million. *Aczone*®, approved for sale in both the United States and Canada, is indicated for the treatment of acne vulgaris in patients 12 and older. *Aczone*® contains the first new FDA-approved chemical entity (dapsone) for acne treatment since *Tazorac*® (tazarotene) gel was approved in 1997. We launched *Aczone*® in the United States in the fourth quarter of 2008.

In the fourth quarter of 2008, we entered into a strategic collaboration arrangement with Spectrum Pharmaceuticals, Inc., or Spectrum, to develop and commercialize apaziquone, an antineoplastic agent currently being investigated for the treatment of non-muscle invasive bladder cancer by intravesical instillation. Under the collaboration, Spectrum is conducting two Phase 3 clinical trials to explore apaziquone's safety and efficacy as a potential treatment for non-muscle invasive bladder cancer following surgery. We made an initial payment of $41.5 million to Spectrum and will make additional payments of up to $304 million based on the achievement of certain development, regulatory and commercialization milestones. Spectrum retained exclusive rights to apaziquone in Asia, including Japan and China. Allergan received exclusive rights to apaziquone for the treatment of bladder cancer in the rest of the world, including the United States, Canada and Europe. In the United States, Allergan and Spectrum will co-promote apaziquone and share in its profits and expenses. Allergan will also pay Spectrum royalties on all of its apaziquone sales outside of the United States. In the third quarter of 2009, the U.S. Food and Drug Administration, or FDA, granted Fast Track Designation for the investigation of apaziquone for the treatment of non-muscle invasive bladder cancer. Fast Track Designation was designed to facilitiate drug development and expedite the review of drugs intended to treat serious conditions. In the fourth quarter of 2009, Spectrum completed enrollment in the two Phase 3 clinical trials.

In the third quarter of 2009, we entered into a co-promotion agreement with Quintiles Transnational Corp., or Quintiles, under which Quintiles will co-promote *Sanctura XR*®, *Latisse*® and *Aczone*®, generally targeting primary care physicians. We will continue to promote *Sanctura XR*®, *Latisse*® and *Aczone*® using our existing sales forces to specialty physicians.

In the first quarter of 2010, we acquired Serica Technologies, Inc., a medical device company focused on the development of biodegradable silk-based scaffolds for use in tissue regeneration, including breast augmentation, revision and reconstruction and bariatric applications, for an aggregate purchase price of approximately $70.0 million.

We were founded in 1950 and incorporated in Delaware in 1977. Our principal executive offices are located at 2525 Dupont Drive, Irvine, California, 92612, and our telephone number at that location is (714) 246-4500. Our Internet website address is www.allergan.com[1]. We make our periodic and current reports, together with amendments to these reports, available on our Internet website, free of charge, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission, or SEC. The SEC maintains an Internet site at www.sec.gov that contains the reports, proxy and information statements and other information that we file electronically with the SEC.

Operating Segments

We operate our business on the basis of two reportable segments — specialty pharmaceuticals and medical devices. The specialty pharmaceuticals segment produces a broad range of pharmaceutical products, including: ophthalmic products for chronic dry eye, glaucoma therapy, ocular inflammation, infection, allergy and retinal

[1] This website address is not intended to function as a hyperlink and the information at this website address is not incorporated by reference into this Annual Report on Form 10-K.

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diseases; *Botox*® for certain therapeutic and aesthetic indications; skin care products for acne, psoriasis, other prescription and over-the-counter skin care products and, beginning in the first quarter of 2009, eyelash growth products; and, beginning in the fourth quarter of 2007 urologics products. The medical devices segment produces a broad range of medical devices, including: breast implants for augmentation, revision and reconstructive surgery; obesity intervention products, including the *Lap-Band*® System and the *Orbera*™ Intragastric Balloon System and facial aesthetics products. The following table sets forth, for the periods indicated, product net sales for each of our product lines within our specialty pharmaceuticals segment and medical devices segment, domestic and international sales as a percentage of total product net sales within our specialty pharmaceuticals segment and medical devices segment, and segment operating income for our specialty pharmaceuticals segment and medical devices segment:

	Year Ended December 31,		
	2009	2008	2007
	(dollars in millions)		
Specialty Pharmaceuticals Segment Product Net Sales by Product Line			
Eye Care Pharmaceuticals	$2,100.6	$2,009.1	$1,776.5
Botox®/Neuromodulator	1,309.6	1,310.9	1,211.8
Skin Care Products	208.0	113.7	110.7
Urologics	65.6	68.6	6.0
Total Specialty Pharmaceuticals Segment Product Net Sales	$3,683.8	$3,502.3	$3,105.0
Specialty Pharmaceuticals Segment Product Net Sales			
Domestic	66.5%	65.2%	65.8%
International	33.5%	34.8%	34.2%
Medical Devices Segment Product Net Sales by Product Line			
Breast Aesthetics	$ 287.5	$ 310.0	$ 298.4
Obesity Intervention	258.2	296.0	270.1
Facial Aesthetics	218.1	231.4	202.8
Core Medical Devices	763.8	837.4	771.3
Other (1)	—	—	2.7
Total Medical Devices Segment Product Net Sales	$ 763.8	$ 837.4	$ 774.0
Medical Devices Segment Product Net Sales			
Domestic	60.5%	62.0%	65.1%
International	39.5%	38.0%	34.9%
Specialty Pharmaceuticals Segment Operating Income (2)	$1,370.8	$1,220.1	$1,047.9
Medical Devices Segment Operating Income (2)	189.2	222.0	207.1
Consolidated Long-Lived Assets			
Domestic	$3,673.2	$3,781.0	$3,702.8
International	577.4	553.8	557.5

(1) Other medical device product sales primarily consist of sales of ophthalmic surgical devices pursuant to a manufacturing and supply agreement entered into as part of the sale of the former Cornéal ophthalmic surgical device business in the third quarter of 2007, which was substantially concluded in the fourth quarter of 2007.

(2) Management evaluates business segment performance on an operating income basis exclusive of general and administrative expenses and other indirect costs, restructuring charges, in-process research and development expenses, amortization of identifiable intangible assets related to business combinations and asset acquisitions and certain other adjustments, which are not allocated to our business segments for performance assessment by our chief operating decision maker. Other adjustments excluded from our business segments for purposes of performance assessment represent income or expenses that do not reflect, according to established company-defined criteria, operating income or expenses associated with our core business activities.

We do not discretely allocate assets to our operating segments, nor does our chief operating decision maker evaluate operating segments using discrete asset information.

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