

ALLERGAN INC  
Form 425  
June 11, 2014

Valeant's perspectives on

R&D

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the Securities Act of 1933 and deemed filed pursuant to  
Rules 14a-12 and 14d-2 under the Securities Exchange Act of  
1934

Subject Company: Allergan, Inc.

Commission File No.: 001-10269

#### Forward-looking Statements

This communication may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding Valeant Pharmaceuticals International, Inc.'s (Valeant) plans to acquire Allergan, Inc. (Allergan), business development activities, including the timing of closing pending transactions, clinical trial results, peak sales of products and its expected future performance (including expected results of operations and financial goals), and the company's future financial condition, operating results, strategy and plans. Forward-looking statements may be identified by the use of words such as: expects, intends, plans, should, could, would, may, will, believes, estimates, potential, target, create, predict, project, seek, ongoing, upside, increases or continues and variations or similar expressions.

current expectations and beliefs of management and are subject to numerous assumptions, risks and uncertainties that change over time and may result to differ materially from those described in the forward-looking statements. These assumptions, risks and uncertainties are the same as the assumptions, risks and uncertainties discussed in the company's most recent annual or quarterly report filed with the Securities and Exchange Commission (the SEC) and the Canadian Securities Administrators (the CSA) and assumptions, risks and uncertainties relating to the proposed transaction in Valeant's filings with the SEC and the CSA, which factors are incorporated herein by reference. Important factors that may affect the results of the proposed transaction materially from the forward-looking statements we make in this communication are set forth in other reports or documents that we have filed with the SEC and the CSA, and include, but are not limited to:

the ultimate outcome of any possible transaction between Valeant and Allergan including the possibilities that Valeant will not complete the transaction, that Allergan will not complete the transaction, or that Allergan will reject a transaction with Valeant;

if a transaction between Valeant and Allergan were to occur, the ultimate outcome and results of integrating the operations of Valeant and Allergan and that Allergan will reject a transaction with Valeant;

the ultimate outcome of Valeant's pricing and operating strategy applied to Allergan and the ultimate ability to realize synergies;

the effects of the business combination of Valeant and Allergan, including the combined company's future financial condition and operating performance and plans;

the effects of governmental regulation on our business or potential business combination transaction;

our ability to obtain regulatory approvals and meet other closing conditions to the transaction, including all necessary stockholder approvals;

our ability to sustain and grow revenues and cash flow from operations in our markets and to maintain and grow our customer base and the related capital expenditures and the unpredictable economic conditions in the United States and other markets;

the impact of competition from other market participants;

the development and commercialization of new products;

the availability and access, in general, of funds to meet our debt obligations prior to or when they become due and to fund our operations and capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets;

our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, may result in our other obligations under cross-default provisions; and

the risks and uncertainties detailed by Allergan with respect to its business as described in its reports and documents filed with the SEC and the CSA.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the above factors. Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements are made as of the date hereof. Valeant undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances that may occur after the date of this communication or to reflect actual outcomes.

More Information

**ADDITIONAL INFORMATION**

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities and no tender or exchange offer has been made by Valeant or Allergan. Allergan has commenced at this time. This communication relates to a proposal which Valeant has made for a business combination with Allergan. In furtherance of this proposal, Pershing Square Capital Management, L.P. ( "Pershing Square" ) has filed preliminary proxy statements with the Securities and Exchange Commission (the "SEC" ) on May 13, 2014 and June 2, 2014 (the "preliminary proxy statements"). For more information, please contact Pershing Square.

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exchange offer documents or other documents with the SEC. This communication is not a substitute for the preliminary proxy

proxy statement, registration statement, prospectus, tender or exchange offer document or other document Valeant, Pershing S

may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF VALEANT

URGED TO READ THE PRELIMINARY PROXY STATEMENTS AND ANY OTHER PROXY STATEMENT(S), REGISTRATION STATEMENTS,

PROSPECTUS, TENDER OR EXCHANGE OFFER DOCUMENTS AND OTHER DOCUMENTS FILED WITH THE SEC

ENTIRETY IF AND WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION RELATIVE TO THE

TRANSACTION. Any definitive proxy statement(s) or definitive tender or exchange offer documents (if and when available)

stockholders

of

Allergan

and/or

Valeant,

as

applicable.

Investors

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security

holders

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the

preliminary

proxy

statements,

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will be able to obtain free copies of these other documents (if and when available) and other documents filed with the SEC by

Square through the web site maintained by the SEC at <http://www.sec.gov>.

Consent was not obtained or sought with respect to third party statements referenced in this presentation.

Information regarding the names and interests in Allergan and Valeant of Valeant and persons related to Valeant who may be contacted in connection with any solicitation of Allergan or Valeant shareholders in respect of a Valeant proposal for a business combination with Allergan is available in the additional definitive proxy soliciting materials in respect of Allergan filed with the SEC by Valeant on April 21, 2014 and May 1, 2014 and regarding the names and interests in Allergan and Valeant of Pershing Square and persons related to Pershing Square who may be contacted in respect of participants

in any solicitation of Allergan or Valeant shareholders in respect of a Valeant proposal for a business combination with Allergan is available in the preliminary proxy statements.

The additional definitive proxy soliciting material referred to in this paragraph and the preliminary proxy

statements can be obtained free of charge from the sources indicated above.

Valeant's thoughts on industry innovation

Innovation is critical for the future of healthcare and the success of Valeant

Majority of innovation coming from outside the big industry players

Big Pharma, primarily sourcing innovation by buying later-stage products driven by biotechs, venture capital, start-ups, foundations, physicians, and academic centers

Leading products largely developed outside of Big Pharma



Valeant's strength in R&D/innovation focused on:

Core areas of dermatology, ophthalmology, and branded generics

Focused on line extensions and reformulations, where returns are more certain, and where Valeant has expertise

4

Innovation and productivity in  
the Pharmaceuticals industry

5

Source: Diagnosing the decline in pharmaceutical R&D efficiency , Jack W. Scannell, Alex Blanckley, Helen Boldon & Bri  
Discovery 11, 191-200 (March 2012);  
R&D productivity in pharma has been declining  
since the 1950s

1000  
100  
10  
1.0

0.1  
2010  
2000  
1990  
1980  
1970  
1960  
1950  
Overall trend in R&D efficiency  
6

Evidenced by both scientific & business  
publications (1/2)  
the CEO of GlaxoSmithKline, believes that declining  
R&D productivity is his industry's primary problem  
Rebuilding the R&D engine in Big Pharma, 2008  
The number of new drugs approved per billion US  
dollars spent on R&D has halved roughly every 9  
years since 1950, falling around 80-fold in inflation-

adjusted terms.

Diagnosing the decline in pharmaceutical R&D efficiency, March 2012

The pharmaceutical industry is in a period of crisis due to the low number of new drug approvals relative to the high levels of R&D investment.

Getting pharmaceutical R&D back on target, March 2011

7

Evidenced by both scientific & business  
publications (2/2)

The pharmaceutical industry is facing unprecedented  
challenges to its business model. Experienced  
observers and industry analysts have even predicted  
its imminent demise

How to improve R&D productivity: the pharmaceutical industry's  
grand challenge, March 2010

Although investment in pharmaceutical research and development (R&D) has increased substantially in this time, the lack of a corresponding increase in the output in terms of new drugs being approved indicates that therapeutic innovation has become more challenging.

The productivity crisis in Pharmaceutical R&D, June 2011

8



Big Pharma  
economic returns from R&D  
below the cost of capital  
9  
Source:  
Forbes  
Who's  
The

Best  
In  
Drug  
Research?  
22  
Companies  
Ranked,  
hiddenpipeline.com  
Average ~3.7% vs. cost of capital ~10%

R&D spend across the top 10 pharmacos has  
flattened after a decade of double digit growth

Note: Includes J&J, Roche, Bayer, Sanofi, Eli Lilly, Novartis, Pfizer, GSK, Merck, AstraZeneca  
CAGR: 0%

04

26.6

02

01

03  
99  
1998  
2000  
31.3  
27.8  
38.1  
42.8  
44.8  
52.5  
58.9  
58.8  
22.2  
12  
2013  
10  
25.0  
11  
CAGR: 10%  
07  
06  
05  
08  
09  
62.4  
67.5  
67.1  
66.6  
68.5  
Combined R&D spend  
\$ Billions  
10

74%

18%

8%

Top 50 products

Sources of innovation

Products = 50

Big Pharma: Top 10 companies at time of discovery

SOURCE: Evaluate

Only 4 of today's top 50 products were discovered, developed, and commercialized internally by "Big Pharma"

External innovation

Internal R&D:

Big Pharma

Internal R&D:

Small/mid-size

Pharma and Biotech

Listing of top 50 2014 drugs (1/2)

12

Rank

Company

Product

Originator

2014E

1

AbbVie  
Humira  
Knoll  
12,049  
2  
Sanofi  
Lantus  
Hoechst  
8,923  
3  
Gilead Sciences  
Sovaldi  
Pharmasset  
8,773  
4  
Roche  
Rituxan  
IDEC Pharmaceuticals  
7,879  
5  
GlaxoSmithKline  
Seretide/Advair  
Glaxo  
7,832  
6  
Roche  
Avastin  
Genentech  
7,338  
7  
Roche  
Herceptin  
Genentech  
6,931  
8  
Johnson & Johnson  
Remicade  
Centocor  
5,796  
9  
AstraZeneca  
Crestor  
Shionogi  
5,349  
10  
Celgene  
Revlimid  
Celgene  
4,885  
11



Amgen  
Enbrel  
Immunex  
4,727  
12  
Otsuka Holdings  
Abilify  
Otsuka Holdings  
4,723  
13  
Novartis  
Gleevec  
Ciba-Geigy  
4,588  
14  
Pfizer  
Lyrica  
Northwestern University  
4,556  
15  
Amgen  
Neulasta  
Kirin-Amgen  
4,485  
16  
Boehringer Ingelheim  
Spiriva  
Boehringer Ingelheim  
4,273  
17  
Merck & Co  
Januvia  
Merck & Co  
4,063  
18  
Pfizer  
Pevnar 13  
Wyeth  
4,006  
19  
Pfizer  
Enbrel  
Immunex  
3,917  
20  
AstraZeneca  
Symbicort Turbuhaler  
Astra/Yamanouchi  
3,803  
21

Gilead Sciences

Atripla

Emory University

3,437

22

Novo Nordisk

NovoRapid

ZymoGenetics

3,265

23

Teva Pharmaceutical

Industries

Copaxone

Weizmann Institute

3,248

24

Gilead Sciences

Truvada

Emory University

3,066

25

Biogen Idec

Avonex

Biogen

2,878

Big pharma developed in-house

Big Pharma: Top 10 companies at time of discovery

SOURCE: Evaluate

Listing of top 50 2014 drugs (2/2)

13

Rank

Company

Product

Originator

2014

26

Eli Lilly  
Alimta  
Princeton University  
2,807  
27  
Eli Lilly  
Humalog  
Eli Lilly  
2,786  
28  
AstraZeneca  
Nexium  
Astra  
2,723  
29  
Merck & Co  
Zetia  
Schering-Plough  
2,665  
30  
Novo Nordisk  
Levemir  
Novo Nordisk  
2,526  
31  
Merck & Co  
Remicade  
Centocor  
2,480  
32  
Novo Nordisk  
Victoza  
Scios  
2,472  
33  
Sanofi  
Plavix  
pre-Sanofi-Synthélabo  
2,413  
34  
Novartis  
Gilenya  
Yoshitomi Pharmaceutical  
2,412  
35  
Novartis  
Lucentis  
Genentech  
2,397  
36

Merck KGaA  
Rebif  
Weizmann Institute  
2,388  
37  
Biogen Idec  
Tecfidera  
Fumapharm  
2,374  
38  
CSL  
Privigen  
CSL  
2,327  
39  
Novartis  
Diovan  
Ciba-Geigy  
2,313  
40  
Sanofi  
Lovenox  
Rhône-Poulenc  
2,299  
41  
Johnson & Johnson  
Zytiga  
The Institute of Cancer  
Research  
2,294  
42  
Eli Lilly  
Cialis  
ICOS  
2,294  
43  
Pfizer  
Celebrex  
G.D. Searle  
2,263  
44  
Allergan  
Botox  
Oculinum  
2,238  
45  
Alexion Pharmaceuticals  
Soliris  
Alexion Pharmaceuticals  
2,188

46

Baxter International

Gammagard Liquid

Baxter International

2,181

47

Merck & Co

Janumet

Merck & Co

1,992

48

Roche

Lucentis

Genentech

1,966

49

Baxter International

Advate

Baxter International

1,952

50

Pfizer

Lipitor

Warner-Lambert

1,929

Big pharma developed in-house

Big Pharma: Top 10 companies at time of discovery

SOURCE: Evaluate

Allergan similar to Big Pharma with ~80% of  
2013 revenue acquired externally

Product

Launch Date

2013 Sales

(\$M)

Origin

Botox

1989

~1,990

Purchased in 1987 from physician originator,  
developed as a treatment for Strabismus

Alphagan

1996

~220

Acquired from Pfizer

Tazorac

1997

~90

Developed in house

Juvederm

2000

~300

Acquired in Inamed purchase in 2005

Lumigan

2001

~630

Developed in house

Restasis

2002

~940

UGA in 1993; subsequently co-licensed, co-  
developed, and co-marketed with Inspire

Pharmaceuticals

Aczone

2005

~140

Bought from QLT in 2008

Combigan

2007

~250

Combination product leveraging Alphagan

Latisse

2008

~100

Fortunate side effect of existing product (Lumigan)

Breast implants

NA

~420

Acquired in Inamed purchase in 2005

Other dermal fillers

NA

~140

Acquired in Inamed purchase in 2005

SkinMedica

NA

~80

Acquired in SkinMedica purchase in 2012



Source: annual reports, FDA, EvaluatePharma, press searches

14

Source: Diagnosing the decline in pharmaceutical R&D efficiency , Jack W. Scannell, Alex Blanckley, Helen Boldon & Brian  
Discovery 11, 191-200 (March 2012); Allergan 10Ks, annual reports

Industry R&D productivity vs. Allergan

spending

1000

100

10

1.0

0.1  
2010  
2000  
1990  
1980  
1970  
1960  
1950  
Overall trend in R&D efficiency  
Allergan R&D spend trend (\$B)  
1.5  
15E17E  
1.2  
2010  
0.8  
1.1  
05  
0.4  
0.8  
2000  
0.2  
95  
0.1  
1990  
0.1  
13  
1.0  
15

M&A has been an important part of many  
leading  
healthcare  
companies  
strategies

Over the last 10 years number of Transactions with >\$50M Deal Value

Source: Capital IQ

16

10  
21  
22  
27  
30

A similar debate has occurred in the technology sector along with many other industries. Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it. Steve Jobs, Forbes 1998. Indeed, the correlation between R&D spending and innovation isn't

clear. In terms of proportional research spending, Apple ranked last on our list of top R&D spenders, with a 3.2% research and development outlay (\$844 million altogether). Yet nobody would accuse Apple-creator of the iPod and iPhone-of not being innovative, or of not being able to transform its successes into bottom-line results. Apple's profit has grown an average of 62% over its last two fiscal years.

CIO Zone Top 50 Technology R&D Spenders 2007

17

Valeant's approach to R&D  
18



19

1. Products developed in our labs
2. Lifecycle management programs
4. Late-stage product in-licensing
5. Late-stage / pre-launch product acquisition

3. Branded Generics development

We Build a Robust Pipeline Drawn from Internal

and External Sources

Our output-driven R&D approach has delivered more launches than most competitors

Our approach to R&D is lower cost and lower risk without sacrificing quality or likelihood of approval

We have a robust internal pipeline, which is supplemented with aggressive business development

20

Focusing on R&D Output Rather than Input

Traditional Big Pharma input-driven  
approach

Focus on shots on goal

Higher spend levels assumed to  
generate more new products

Incentives linked to investment levels

Valeant's output focused approach

Focus on productivity

outputs

measured against inputs

Lower risk projects

Decentralization helps ensure right

products for right markets

Focus on line extensions and new

indications

Portfolio prioritization via rigorous,

unbiased peer scientific review

With overall industry R&D

productivity steadily declining,

traditional bets on R&D are unlikely

to pay off

21  
Our R&D organization  
Total  
R&D  
Employees  
:  
748  
US R&D: 487

Ex-US R&D: 261

Majority of entrepreneurs have used proceeds to fund  
further innovation

1: includes quality

1

22  
Valeant  
US  
Launch  
Products  
(1/2)

derm

and  
aesthetics  
Product  
Category  
Description  
Expected launch  
date  
Source  
Est. peak sales (\$M)  
Derm  
Dermatitis, wound  
healing  
Re-launched  
Parented from SMG  
25-75  
Derm  
Topical antifungal for  
athlete s foot  
Launched  
Medicis  
50-75  
Neotensil  
Aesthetics  
Topical product for  
under-eye bags  
Launched  
Partnered from Living  
Proof  
80-100  
Obagi360  
System  
Aesthetics  
Skincare  
kit  
for  
women  
in their 30 s  
Launched  
Obagi  
10-30  
Retin-A Micro®  
.08%  
Derm  
Topical treatment for  
acne  
Jun-14  
Dow  
20-30  
Derm  
Topical antifungal for



onychomycosis  
Approved  
Dow  
300-800  
Ideal Implants  
Aesthetics  
Breast implant  
Q3 2014  
Partnered from Ideal  
Implant  
25-75  
Hyaluronic  
acid  
for  
lips  
Aesthetics  
Small particle filler  
Q4 2014  
Medicis  
20-30  
Onexton  
Derm  
Topical treatment for  
acne  
Q4 2014  
Dow  
50-75  
Source: Valeant management estimates  
Bensal HP  
Luzu  
Jublia  
®  
®  
®  
22

23  
Valeant US Launch Products (2/2)  
eye health,  
consumer, and oral health  
Product  
Category  
Description  
Expected launch

date  
Source  
Est. peak sales (\$M)  
enVista  
inserter  
(lens)  
Eye Health  
Launched  
B&L  
40-50  
PureVision  
2 for  
Presbyopia  
Eye Health  
Daily contact lens  
Launched  
B&L  
20-30  
Victus  
enhancements  
Eye Health  
Multiple  
enhancements  
Lens fragmentation  
2H 2014  
B&L  
100-200  
Ultra  
Eye Health  
Silicone hydrogel  
monthly lens  
Launched  
B&L  
300-400  
BioTrue®  
multifocal  
Eye Health  
Daily contact lens  
May-14  
B&L  
60-80  
Trulign  
expanded  
ranges (lens)  
Eye Health  
Broader range of  
powers  
Q2 2014  
B&L  
40-60

CeraVe®  
baby line  
Consumer  
OTC moisturizer  
Launched  
Dow  
15-20  
Peroxiclear  
Consumer  
Peroxide based  
contact lens solution  
Launched  
B&L  
50-70  
Ossix®  
Plus  
Oral Health  
Dental membrane  
Launched  
Partnered  
from  
Datum  
Dental  
10-20  
Onset®  
Oral Health  
Dental analgesic  
Launched  
Acquired from Onset  
40-50  
Total  
\$1,255M-2,270M  
Source: Valeant management estimates  
TM  
Further  
enhancements  
23

Valeant has funded entrepreneurs and innovation through acquisitions (1/2)  
Acquired business from founder Gordon Dow and President Bhaskar Chaudhuri  
Majority of entrepreneurs have used proceeds to fund further innovation  
Acquired WW rights to Emerade anaphylaxis injector from Larsson family

Larsson family continues in to work on next generation

Emerade

Partnered WW rights from Living Proof & 3 MIT scientists  
responsible for development

Entrepreneurs continue to work on new platforms and  
products

24

Valeant has funded entrepreneurs and innovation through acquisitions (2/2)  
Partnered with Brazilian Biotech - Pelenova on Regederm a novel scar treatment  
Pelenova continuing to develop new therapies  
Bought option to acquire Ideal Implant from Dr. Bob Hamas and shareholders

Valeant payments to date have funded completion of clinical study and seek FDA approval

Acquired WW rights for low dose brimonidine from Dr. Lee Nordan and Dr. Jerry Horn

Dr. Nordan continues to develop novel therapies

Eye Therapies, LLC

Majority of entrepreneurs have used proceeds to fund further innovation

25



Valeant acquisition R&D review

Have never stopped any program mid-stream/study

Peer review all programs

Programs placed into 2 categories

Invest:

high potential programs with strategic fit, carry to next

stage-gate and then re-assess

Programs continued to be re-assessed based on clinical data

Partner:

higher risk and/or lacking strategic fit, continue development but look for strategic partner to lead development going forward

Partnerships have included Valeant payments/funding to help with continuing clinical program

No partner interest:

Products that cannot find a partner or are pre-development ideas that do not have scientific and commercial rationale are terminated

Typical in Pharma mergers to discontinue/rationalize R&D programs

26

Valeant has invested in or partnered over 70% of  
acquired projects

Acquired  
portfolio

Invested by  
Valeant

Partnered

No partner  
interest

99

0

75

24

19

6

6

7

development

16

9

3

4

Staccato(R) Loxapine

Istradefyllin approved in Japan in  
Phase 3 in US

Status of out-partnered products

1 Staccato(R) Loxapine launched by Alexza and Teva as Adasuve in 2013

2 Includes products in negotiation

142

15

92

35

8

0

8

0

N/A

2 launched in select markets:

All others in Phase 2/3, 1 in Phase 1

E-TAZ, TWIN for acne vulgaris in

Failed to demonstrated clinical viability

No external parties interested in

partnering

No projects terminated before reaching

next milestone

Criteria used to terminate:

2

1

#### Dow Overview

Acquired dermatology R&D house with leading capabilities and track record

Developed/had a part in developing most major dermatology drugs

Full capabilities from preclinical through regulatory

Senior/R&D leadership retained to bring on capabilities and experience

R&D programs had largely been sourced internally

Reviewed all programs with both Valeant and Dow R&D, maintained all 8 significant R&D programs, bringing several to market through in-house

commercialization capabilities and successfully launching Acanya:

Approved/Filed

Acanya: Approved

Ram .08: Approved

IDP-108 (Jublia): Approved

Onexton: Filed

Phase IIB

IDP-118

4 compounds failed over time, all by missing endpoints

28

Biovail Overview

Merger to bring two specialty companies together to create scale

and

platform for acquisitions

Strong, growing Canadian business

US business with portfolio of tail assets

No research capabilities with R&D pipeline in-licensed or acquired from

3

parties

Reviewed all pipeline programs, Biovail primarily focused on orphan neurology indications, with most products being non-strategic to Valeant going forward

Scientists/R&D professionals and commercial voted (executive team did not vote)

~60%

of

programs

partnered

to

companies

with

focus

in

neurology;

two

products have received approval to date

Launched generic fenofibrate

Terminated several Gx filings and low-probability life-cycle management programs

29

rd



Medicis Overview (1/2)

Acquired North American dermatology company with complementary portfolio

Low growth, prior year with stock price that had underperformed S&P over previous 10 years

Declining acne franchise

Underperforming aesthetic business

No research capabilities with significant capital expenditures to build

R&D pipeline from in-licensing and acquisitions, majority of development activities outsourced

Notable partnerships/acquisitions:

Graceway

Galderma/Q-Med aesthetics

Sol-Gel

NNC

30

Medicis Overview (2/2)

Reviewed all 20 significant R&D programs led by Medicis R&D teams  
Scientists/R&D professionals and Medicis commercial voted (executive  
team did not vote), no material disagreement on prioritized programs  
Maintained late stage programs, bringing 4 programs to the FDA for  
approval:

Luzu: filed and launched

Metrogel 1.3%: filed and out-licensed to commercial partner

SPHAL: filed awaiting approval

Perlane LCM: filed awaiting approval

Brought in Emervel product from Galderma, which Medicis had previously declined

Out-licensed/actively negotiating earlier stage dermatology programs or

programs that were outside of the core dermatology/aesthetics platform

Terminated programs were mainly oral acne products where approval/regulatory guidance has become increasingly difficult

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B&L Overview (1/2)

Acquired global eye health company as platform worldwide

Global franchise in contact lens, solutions, and OTCs

Strong franchise in surgical devices

Strong US pharmaceuticals business

R&D portfolio largely built from capital expenditure for in-licensing, acquisitions, and partnerships with in house research largely focused in contact lenses

Notable acquisitions:

Ista

TPV

Eyeonics

Notable in-licenses:

Latanoprostine

Mapracorat

Mimetogen, licensed between signing and close

Brimonodine

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B&L Overview (2/2)

Reviewed ~100 R&D programs with both Valeant and B&L R&D teams

Scientists/R&D professionals and B&L commercial voted (executive team did not vote), no material disagreement on prioritized programs

Maintained ~74% of programs, including all late stage R&D programs, bringing all programs to their next stage-gate:

Ultra: filed and launched

Peroxiclear: launched

Latanoprostine: in Phase III

Brimonodine: in Phase III

Mimetogen: Phase II, in-licensed between signing and close

Mapracorat: failed Phase III endpoints

Terminated programs were largely very early stage/conceptual programs with little investment to date

No products partnered to date

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