

ALLERGAN INC
Form 10-Q
November 05, 2014

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the Quarterly Period Ended September 30, 2014

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 92612
Irvine, California (Zip Code)
(Address of Principal Executive Offices)
(714) 246-4500
(Registrant's Telephone Number, Including Area Code)

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 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 October 31, 2014, there were 307,605,860 shares of common stock outstanding (including 9,707,230 shares held in treasury).

ALLERGAN, INC.
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

ALLERGAN, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2014	2013	2014	2013
Revenues:				
Product net sales	\$ 1,790.7	\$ 1,528.4	\$ 5,237.1	\$ 4,537.9
Other revenues	26.4	30.3	90.3	78.1
Total revenues	1,817.1	1,558.7	5,327.4	4,616.0
Operating costs and expenses:				
Cost of sales (excludes amortization of intangible assets)	206.6	192.2	633.3	591.2
Selling, general and administrative	714.7	589.3	2,092.2	1,804.0
Research and development	288.5	257.6	926.2	772.9
Amortization of intangible assets	29.0	28.8	84.8	88.5
Restructuring charges	185.5	0.6	208.3	4.9
Operating income	392.8	490.2	1,382.6	1,354.5
Non-operating income (expense):				
Interest income	2.0	1.5	6.2	5.1
Interest expense	(18.4	) (19.4	) (53.8	) (56.8
Other, net	43.0	(15.5	) 20.4	(13.0
	26.6	(33.4	) (27.2	) (64.7
Earnings from continuing operations before income taxes	419.4	456.8	1,355.4	1,289.8
Provision for income taxes	106.3	123.9	365.4	329.9
Earnings from continuing operations	313.1	332.9	990.0	959.9
Discontinued operations:				
Earnings from discontinued operations, net of applicable income tax expense of \$2.7 million and \$6.4 million for the three and nine months ended September 30, 2013, respectively	—	5.5	—	13.1
Gain (loss) on sale of discontinued operations, net of applicable income tax expense (benefit) of \$0.0 million and \$(21.1) million for the three months ended September 30, 2014 and 2013, respectively, and \$(0.3) million and \$(108.3) million for the nine months ended September 30, 2014 and 2013, respectively	0.3	(37.6	) (0.3	) (296.6
Discontinued operations	0.3	(32.1	) (0.3	) (283.5