

ALLERGAN INC
Form 11-K
June 27, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K
ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

(Mark One):

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**
For the fiscal year ended December 31, 2007
OR
- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**
For the transition period from _____ to _____
Commission File Number 1-10269
ALLERGAN, INC.
SAVINGS AND INVESTMENT PLAN
(Full title of the plan)
ALLERGAN, INC.
2525 Dupont Drive
Irvine, California 92612
(Name of issuer of the securities held
pursuant to the plan and the address of its
principal executive office)
-

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4. **ERISA Financial Statements and Schedule and Exhibits:**

(a) Financial Statements and Schedule:

Report of Independent Registered Public Accounting Firm of Lesley, Thomas, Schwarz & Postma, Inc., dated June 23, 2008, on the Statements of Net Assets Available for Benefits as of December 31, 2007 and 2006 and the related Statements of Changes in Net Assets Available for Benefits for the Years Then Ended Allergan, Inc. Savings and Investment Plan.

Statements of Net Assets Available for Benefits as of December 31, 2007 and 2006 Allergan, Inc. Savings and Investment Plan.

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2007 and 2006 Allergan, Inc. Savings and Investment Plan.

Notes to Financial Statements Allergan, Inc. Savings and Investment Plan.

Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2007 Allergan, Inc. Savings and Investment Plan.

(b) Exhibits

Exhibit 23 Consent of Lesley, Thomas, Schwarz & Postma, Inc.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

ALLERGAN, INC. SAVINGS
AND INVESTMENT PLAN

Date: June 27, 2008

By: /s/ Jeffrey L. Edwards
Jeffrey L. Edwards
Allergan, Inc.
Executive Committee

ALLERGAN, INC.
SAVINGS AND INVESTMENT PLAN
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AND SUPPLEMENTAL SCHEDULE

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EXHIBIT 23

EXHIBIT 23

All other schedules are omitted because they are not required or applicable pursuant to ERISA and Department of Labor regulations.

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Report of Independent Registered Public Accounting Firm

To the Executive Committee of Allergan, Inc.

We have audited the accompanying statements of net assets available for benefits of the Allergan, Inc. Savings and Investment Plan as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Allergan, Inc. Savings and Investment Plan as of December 31, 2007 and 2006, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Lesley, Thomas, Schwarz & Postma, Inc.

Lesley, Thomas, Schwarz & Postma, Inc.

Newport Beach, California

June 23, 2008

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN**
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS		
Investments		
Investments at estimated fair value (Note 3)	\$ 5,638,789	\$ 431,935,120
Investments in master trust at fair value (Note 3)	505,597,522	
Total investments	511,236,311	431,935,120
Receivables		
Participant contributions	925	1,312
Employer contributions	12,739,560	7,814,327
Total receivables	12,740,485	7,815,639
Net assets available for benefits, at fair value	523,976,796	439,750,759
Adjustment from fair value to contract value for fully benefit-responsive investment contract (Note 2)	1,355,908	840,870
NET ASSETS AVAILABLE FOR BENEFITS	\$ 525,332,704	\$ 440,591,629

See the accompanying notes to these financial statements

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STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income		
Net appreciation in fair value of investments (Note 3)	\$ 17,004,269	\$ 37,266,978
Interest	406,982	307,511
Dividends	7,319,981	5,910,296
	24,731,232	43,484,785
Contributions		
Employer match	13,129,903	9,170,167
Employer retirement	12,008,958	7,404,320
Participant before tax	29,924,361	22,067,601
Participant after tax	957,647	775,435
Rollovers	6,983,935	4,878,436
	63,004,804	44,295,959
Total additions to net assets	87,736,036	87,780,744
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	28,746,604	22,387,182
Corrective distributions		1,737
Administrative expenses	22,624	18,061
Total deductions from net assets	28,769,228	22,406,980
TRANSFERS FROM ANOTHER PLAN (NOTE 8)	25,774,267	355,240
NET INCREASE	84,741,075	65,729,004
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	440,591,629	374,862,625
NET ASSETS AVAILABLE FOR BENEFITS, end of year	\$ 525,332,704	\$ 440,591,629

See the accompanying notes to these financial statements

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 1 DESCRIPTION OF THE PLAN

The following description of the Allergan, Inc. Savings and Investment Plan (Restated 2005) (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

General The Plan, established on July 26, 1989, is a defined contribution plan sponsored by Allergan, Inc. (the Company). The Plan provides for immediate eligibility into the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is qualified under the Internal Revenue Code (the Code). The administrator for the Plan is the Allergan, Inc. Executive Committee. The trustee for the Plan is JPMorgan Chase Bank.

Employee Contributions The Company s eligible United States employees may contribute a portion of their defined compensation, either before tax, after tax, or a combination thereof, subject to the limitations as defined by the Code.

The Company s eligible Puerto Rico employees may contribute a portion of their defined compensation, either before tax, after tax, or a combination thereof, subject to the limitations as defined by the Puerto Rico Internal Revenue Code.

Prior to December 15, 2006, participant contributions could be invested in the Allergan, Inc. Common Stock Fund, American Century Stable Asset Fund, Western Asset Core Plus Bond Portfolio Fund, Dodge & Cox Balanced Fund, Hotchkis and Wiley Large Cap Value Fund, American Century Income and Growth Fund, Barclays Global Inv S&P 500 Equity Index Fund, American Century Ultra Fund, American Century Small Cap Value Fund, Artisan Small Cap Fund, American Funds New Perspective Fund, and American Funds EuroPacific Growth Fund, or any combination of the 12 funds at the participant s discretion.

Effective December 15, 2006, American Century Ultra Fund was removed from the investment options and Janus Risk Managed Growth Fund was added to the investment options. On January 3, 2007, two additional funds were added to the investment options, Columbia Marsico Focused Equities Fund and the Evergreen Special Values Fund. On June 20, 2007, the JPMorgan Stable Value Fund was added, and on June 29, 2007, two funds were removed from the investment options, the American Century Stable Asset Fund and the American Century Small Cap Value Fund. On July 2, 2007, the TIAA-CREF Intst Small-Cap Blend Index Fund was added and on July 31, 2007, the Fidelity Advisor Stable Value Portfolio Class II was removed as an investment option.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 DESCRIPTION OF THE PLAN (CONTINUED)

Effective August 1, 2007, participant contributions may be invested in the Allergan, Inc. Common Stock Fund, JPMorgan Stable Value Fund, Western Asset Core Plus Bond Portfolio Fund, Dodge & Cox Balanced Fund, Hotchkis and Wiley Large Cap Value Fund, American Century Income and Growth Fund, Barclays Global Inv S&P 500 Equity Index Fund, Janus Risk Managed Growth Fund, Artisan Small Cap Fund, American Funds New Perspective Fund, American Funds EuroPacific Growth Fund, Columbia Marsico Focused Equities Fund, Evergreen Special Values Fund, TIAA-CREF Intst Small-Cap Blend Index Fund or any combination of the 14 funds at the participant's discretion. Additionally, certain assets are invested in the Advanced Medical Optics, Inc. Common Stock Fund, although new allocations are not permitted and have not been made to that fund since June 29, 2002.

Certain limitations imposed by the Code may have the effect of reducing the level of contributions initially selected by participants who fall within the classification of highly compensated employees as defined in the Code.

Employer Matching Contributions The Company contributed an amount equal to 100% of each employee's contribution up to 4% of defined compensation for the years ended December 31, 2007 and 2006.

Employer matching contributions are made in Allergan, Inc. common stock which is invested in the Allergan, Inc. Common Stock Fund. Participants who are over 55 can, however, elect to direct their employer matching contributions into any of the 14 investment funds. All participants can elect at any time to diversify their employer matching contributions in the Allergan, Inc. Common Stock Fund into any of the other 13 investment funds, subject to the Company's insider trading policy.

Employer Retirement Contributions Effective January 1, 2003, the Company makes an annual contribution equal to 5% of each participant's defined compensation if they are eligible for the Retirement Contribution Feature of the Plan, have completed at least six months of service, and are employed on the last business day of the year.

Investment Options Participants have the right to elect investment options upon enrollment or re-enrollment into the Plan. Additionally, participants may elect to change their investment options and transfer their account balances among the different investment funds at any time, subject to the Company's insider trading policy.

Participant Accounts Each participant's account is credited for the participant's contributions, employer match and employer retirement contributions and allocations of fund earnings and charged with an allocation of administrative expenses and fund losses. The earnings and losses of each of the funds are allocated daily to the individual accounts of participants based on their relative interest in the fair value of the assets held in each fund, except for dividends and unrealized appreciation (depreciation) on the common stock of Allergan, Inc., which is allocated based upon the number of shares held in the individual accounts of participants.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
NOTE 1 DESCRIPTION OF THE PLAN (CONTINUED)

Participant Loans Receivable Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance excluding retirement contributions. Loan terms range from one to five years or, for the purchase of a primary residence, up to 15 years. The loans are secured by the balance in the participant's account and bear interest at prime plus one percent as determined on the date of the loan application. The interest rate is fixed for the term of the loan. Principal and interest is paid through payroll deductions each pay period.

Vesting and Forfeitures Participant contributions are fully vested at all times. Participants forfeit their share of employer matching contributions if they terminate their employment before completing three years of service with the Company. Employer retirement contributions vest on a graduated basis. After completing one year of service, the participant is 20% vested, and vesting increases 20% each year thereafter until fully vested at the end of the fifth year of service. Forfeitures are used by the Company to offset future employer contribution requirements and to reinstate rehired employee accounts. During the Plan years ended December 31, 2007 and 2006, \$1,201,115 and \$1,308,345, respectively, of forfeitures were used to offset contributions. At December 31, 2007 and 2006, unutilized forfeitures totaled \$364,369 and \$246,008, respectively.

Payment of Benefits Participants may withdraw their employee after-tax and rollover contributions at any time. Vested employer matching contributions can also be withdrawn at any time providing they were credited at least two years prior to withdrawal or in the case of a financial hardship. Withdrawals of employee after-tax contributions and employer matching contributions during employment may cause the participant to become ineligible to receive certain employer matching contributions and be suspended from contributing to the Plan for a period of six months following the withdrawal.

Prior to age 59-1/2, employee before-tax contributions may be withdrawn in the event of financial hardship, after the withdrawal of the value of employee after-tax contributions and employer matching contributions. Hardship withdrawals cause the employee to become ineligible to contribute to the Plan for a period of six months following the withdrawal for U.S. employees and 12 months for Puerto Rico employees. Hardship withdrawals of employer retirement contributions are not permitted.

Participants become entitled to payment of the total value of their accounts at the time of termination (if fully vested), attainment of age 59-1/2 (if fully vested), permanent and total disability, or death. Under certain circumstances set forth in the Plan, the participant may elect to receive the distribution in a lump sum (in cash or in cash and common stock of Allergan, Inc. or Advanced Medical Optics, Inc.) or may elect partial distributions. If the participant's account value is \$5,000 or more, withdrawals may be postponed until as late as attaining age 70-1/2. After death, payment is in the form of a lump sum to the designated beneficiary.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 1 DESCRIPTION OF THE PLAN (CONTINUED)

New Accounting Pronouncements In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurement. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which is the Plan's fiscal year 2008. The Plan does not expect that the adoption of SFAS 157 will have a material impact on its financial statements.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared on the accrual basis of accounting. Except for unutilized forfeitures (see Note 1), the net assets of the Plan are allocated entirely to individual participants' accounts.

As described in FASB Staff Position FSP AAG INV-1 and Statement of Position No. 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Accounting Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition On June 20, 2007, the Plan, along with the Allergan, Inc. Employee Stock Ownership Plan, entered into the Allergan, Inc. Master Trust (the Master Trust). See Note 3, for further discussion of the Master Trust. The Plan's investments in the Master Trust are stated at fair value. The fair value of Allergan, Inc. and Advanced Medical Optics, Inc. common stock is based upon quotations obtained from the New York Stock Exchange. The fair values of the Western Asset Core Plus Bond Portfolio Fund,

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dodge & Cox Balanced Fund, Hotchkis and Wiley Large Cap Value Fund, American Century Income and Growth Fund, American Century Ultra Fund, American Century Small Cap Value Fund, Artisan Small Cap Fund, American Funds New Perspective Fund, American Funds EuroPacific Growth Fund, Janus Risk Managed Growth Fund, Fidelity Advisor Stable Value Fund, Columbia Marsico Focused Equities Fund, Evergreen Special Values Fund, and TIAA-CREF Intst Small-Cap Blend Index Fund are based upon quotations of each fund's net asset value obtained from the National Association of Security Dealers Automated Quotations (NASDAQ). The fair value of the American Century Stable Asset Fund, Barclays Global Inv S&P 500 Equity Index Fund, and JPMorgan Stable Value Fund is based upon the net asset value reported by the fund (these funds are reported at contract value in accordance with SOP 94-4-1). Participant loans are valued at the outstanding balance which the plan sponsor has estimated approximate fair value.

Purchases and sales of investments are reflected on the trade-date basis. Dividend income is recorded on the ex-dividend date.

The Plan presents, in the Statements of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the fair value of its investments, which consist of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Interest Bearing Cash and Cash Equivalents Interest bearing cash and cash equivalents represent amounts invested in JPMorgan Chase Bank, which consist of highly liquid short-term investments.

Contribution Funding The participant deferrals and employer matching contributions are funded on a consistent basis following the issuance of each Company payroll. Employer retirement contributions are funded on an annual basis.

Non-Discrimination for Employee and Employer Contributions The Plan, as required by the Code, performs annual tests between highly compensated participants versus non-highly compensated participants to ensure that highly compensated participants are not disproportionately favored under the Plan. If the Plan fails the tests, it must refund some of the excess deferral contributions. Excess deferral contributions which are refunded within two and one-half months of the Plan year end are accrued as a liability to the Plan. No such accrual exists at December 31, 2007 and 2006. Excess deferral contributions which are not refunded within two and one-half months of the Plan year end are recorded as a distribution in the Plan year in which the refund is paid.

Non-Distributed Benefits The Plan does not accrue non-distributed benefits related to participants who have withdrawn from the Plan, but recognizes such benefits as a deduction from net assets in the period in which such benefits are paid.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Continuation of the Plan The Company anticipates and believes the Plan will continue without interruption, but reserves the right to discontinue the Plan. If the Plan is terminated by the Company, the accounts of all affected participants shall become 100% vested and non-forfeitable without regard to the years of service of such participants.

Administrative Expenses Expenses incurred in the administration and operation of the Plan are paid by the Plan. Certain administrative expenses of the Plan are paid by the Company.

NOTE 3 INVESTMENTS

The Master Trust was created pursuant to a trust agreement dated June 20, 2007, between the Company and JPMorgan Chase Bank, as trustee of the funds, to permit the commingling of trust assets of both the Allergan, Inc. Savings and Investment Plan and Allergan, Inc. Employee Stock Ownership Plan, for investment and administrative purposes. The assets of the Master Trust are held by JPMorgan Chase Bank.

The following tables summarize the net assets and net investment income of the Master Trust.

A) NET ASSETS OF THE MASTER TRUST

	December 31, 2007
INVESTMENTS:	
Common Stock	\$ 8,303,592
Mutual Funds	308,669,603
Common/Collective Trusts	76,970,925
Interest Bearing Cash	17,930
U.S. Government Securities	76,746
Employer Securities	283,284,406
 NET ASSETS OF THE MASTER TRUST	 \$ 677,323,202
 NET INVESTMENT IN MASTER TRUST BY PLAN	
Allergan, Inc. Savings and Investment Plan Investment in Master Trust	\$ 505,597,522
 Plan's percentage interest in net assets of the Master Trust	 74.6%
 Allergan, Inc. Employee Stock Ownership Plan Investment in Master Trust	 \$ 171,725,680
 Plan's percentage interest in net assets of the Master Trust	 25.4%

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 3 INVESTMENTS (CONTINUED)

B) NET INVESTMENT INCOME OF THE MASTER TRUST

	Year Ended December 31, 2007
INVESTMENT INCOME:	
Net appreciation (depreciation) in fair value of investments	
Common Stock	\$ 17,943,874
Mutual Funds	(10,711,194)
Common/Collective Trusts	519,559
Short-term Money Market	917
	7,753,156
Dividends	445,443
NET INVESTMENT INCOME OF THE MASTER TRUST	\$ 8,198,599
NET INVESTMENT INCOME FROM MASTER TRUST BY PLAN	
Savings and Investment Plan	\$ (151,818)
Employee Stock Ownership Plan	\$ 8,350,417

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 3 INVESTMENTS (CONTINUED)

The following table presents the fair value of investments. Investments that represent five percent or more of the Plan's net assets available for benefits at December 31, 2007 and 2006 are separately identified.

	December 31, 2007	
	Number of Shares, Units or Principal Amounts	Fair Value
PARTICIPANT DIRECTED INVESTMENTS (held in Master Trust)		
At fair value as determined by quoted market prices		
Common Stock:		
Allergan, Inc. *	2,271,961	\$ 145,950,750
Advanced Medical Optics, Inc.	130,378	3,198,172
Total common stock		149,148,922
Mutual Funds:		
Dodge & Cox Balanced Fund *	935,059	75,739,842
American Century Income and Growth Fund *	1,505,700	43,514,717
American Funds New Perspective Fund *	1,452,009	49,295,708
American Funds EuroPacific Growth Fund *	811,981	41,305,458
Artisan Small Cap Fund	651,552	11,024,258
Hotchkis and Wiley Large Cap Value Fund	663,633	13,511,566
Western Asset Core Plus Bond Portfolio Fund	924,728	9,423,183
Janus Risk Managed Growth Fund	1,352,845	19,913,882
Columbia Marsico Focused Equities Fund	168,576	4,226,199
Evergreen Special Values Fund	851,699	17,545,004
TIAA-CREF Intst Small-Cap Blend Index Fund	105,142	1,507,743
Total mutual funds		287,007,560
At fair value as reported by the fund:		
Common/Collective Trusts:		
JPMorgan Stable Value Fund *	426,552	42,316,556
Barclays Global Inv S&P 500 Equity Index Fund *	589,529	27,106,554
Total common/collective trusts		69,423,110

Investments at estimated fair value:	
Interest bearing cash and cash equivalents	17,930
Total investments held in Master Trust	505,597,522
Investments at estimated fair value:	
Participant loans	5,638,789
Total investments	\$ 511,236,311

* Investments that represent five percent or more of the Plan's net assets available for benefits.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
NOTE 3 INVESTMENTS (CONTINUED)

	December 31, 2006	
	Number of Shares, Units or Principal Amounts	Fair Value
PARTICIPANT DIRECTED INVESTMENTS		
At fair value as determined by quoted market prices		
Common Stock:		
Allergan, Inc. *	2,301,048**	\$ 137,763,746
Advanced Medical Optics, Inc.	164,244	5,781,382
Total common stock		143,545,128
Mutual Funds:		
Dodge & Cox Balanced Fund *	768,733	66,944,289
American Century Income and Growth Fund *	1,249,701	41,717,513
American Funds New Perspective Fund *	970,908	30,831,548
American Funds EuroPacific Growth Fund	455,689	21,216,885
Artisan Small Cap Fund	582,104	10,594,285
American Century Small Cap Value Fund	2,099,371	20,490,345
Hotchkis and Wiley Large Cap Value Fund	535,328	13,538,437
Western Asset Core Plus Bond Portfolio Fund	358,932	3,783,148
Janus Risk Managed Growth Fund	134,476	18,776,034
Fidelity Advisor Stable Value Fund	355,240	355,240
Total mutual funds		228,247,724
At fair value as reported by the fund:		
Common/Collective Trusts:		
American Century Stable Asset Fund *	44,746,069	44,746,069
Barclays Global Inv S&P500 Equity Index Fund	250,933	10,945,712
Total common/collective trusts		55,691,781
Investments at estimated fair value:		
Participant loans		4,450,088
Interest bearing cash and cash equivalents		399

Total investments \$ 431,935,120

* Investments that represent five percent or more of the Plan's net assets available for benefits.

** Adjusted to reflect the effect of Allergan, Inc.'s two-for-one stock split completed on June 22, 2007.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 3 INVESTMENTS (CONTINUED)

The Plan's investments (including gains and losses on investments bought and sold, as well as held) appreciated (depreciated) in value during the years ended December 31, 2007 and 2006. A summary of the change in fair value of investments is as follows:

	Year Ended December 31, 2007	Year Ended December 31, 2006
Common Stock	\$ (265,836)	\$ 12,596,415
Master Trust	(376,900)	
Mutual Funds	15,655,941	23,280,375
Common/Collective Trusts	1,991,064	1,390,188
	\$ 17,004,269	\$ 37,266,978

NOTE 4 INCOME TAX STATUS

The Plan obtained its latest determination letter on July 22, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code and constitutes a qualified trust under Section 401(a) of the Code and is therefore exempt from federal income taxes under provisions of Section 501(a).

NOTE 5 RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan allows participants to purchase employer securities. As of December 31, 2007 and 2006, the Plan held 2,271,961 and 2,301,048 shares, respectively, of Allergan, Inc. common stock.

Certain Plan investments are invested in mutual funds that are managed by an affiliate of JPMorgan Chase Bank, the trustee, and therefore, these transactions qualify as party-in-interest transactions for which there is a statutory exemption.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 6 RISKS AND UNCERTAINTIES

The Plan provides for various investment options in mutual funds, common and collective trusts, common stock and cash and cash equivalents. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term, could materially affect participants' account balances and the amounts reported in the financial statements.

NOTE 7 CONCENTRATIONS

Investments in the common stock of Allergan, Inc. comprised approximately 29% and 32% of the Plan's total investments as of December 31, 2007 and 2006, respectively.

NOTE 8 CORPORATE MERGERS

The Company acquired Inamed Corporation (Inamed) during 2006. However, employees of Inamed continued to be participants in the Inamed Corporation Retirement Savings Plan (the Inamed Plan) through December 31, 2006. Effective January 1, 2007, the participants in the Inamed Plan were enrolled into the Plan and the assets from the Inamed Plan were transferred into the Plan.

One of the investment funds from the Inamed Plan, the Fidelity Advisor Stable Value Fund, transferred its assets into the Plan on December 29, 2006. The amount of the fund, \$355,240, is reflected in these financial statements as transfers from another plan. The remaining assets of the Inamed Plan, amounting to \$25,774,267, were transferred into the Plan on January 2, 2007.

On October 15, 2007, the Company acquired Esprit Pharma Holding Company, Inc. (Esprit). The employees of Esprit became eligible to participate in the Plan effective October 16, 2007, and their former plan was frozen. The Esprit 401(k) Plan will not be merged into the Plan; instead, past participants may elect to rollover their account balances into the Plan through the normal rollover process.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 9 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2007	December 31, 2006
Net assets available for benefits per the financial statements	\$ 525,332,704	\$ 440,591,629
Less: Adjustment from fair value to contract value for fully benefit-responsive investment contract	(1,355,908)	(840,870)
Net assets available for benefits per the Form 5500	\$ 523,976,796	\$ 439,750,759

The following is a reconciliation of investment income per the financial statements to the Form 5500:

	Year Ended December 31, 2007	Year Ended December 31, 2006
Total investment income per the financial statements	\$ 24,731,232	\$ 43,484,785
Less: Adjustment from fair value to contract value for fully benefit-responsive investment contract	(515,038)	(840,870)
Total investment income per the Form 5500	\$ 24,216,194	\$ 42,643,915

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SUPPLEMENTAL SCHEDULE

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i
EMPLOYER ID NUMBER 95-1622442, PLAN NUMBER 002
DECEMBER 31, 2007

(a)	(b) Identity of Issue Borrower Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Allergan, Inc.	Common Stock, 2,271,961 shares	**	\$145,950,750
	Advanced Medical Optics, Inc.	Common Stock, 130,378 shares	**	3,198,172
	Dodge & Cox Balanced Fund	Mutual Fund, 935,059 shares	**	75,739,842
*	American Century Income and Growth Fund	Mutual Fund, 1,505,700 shares	**	43,514,717
	Barclays Global Inv S&P 500 Equity Index Fund	Common/Collective Trust, 589,529 shares	**	27,106,554
	American Funds New Perspective Fund	Mutual Fund, 1,452,009 shares	**	49,295,708
	American Funds EuroPacific Growth Fund	Mutual Fund, 811,981 shares	**	41,305,458
	Artisan Small Cap Fund	Mutual Fund, 651,552 shares	**	11,024,258
	Hotchkis and Wiley Large Cap Value Fund	Mutual Fund, 663,633 shares	**	13,511,566
	Western Asset Core Plus Bond Portfolio Fund	Mutual Fund, 924,728 shares	**	9,423,183
	Janus Risk Managed Growth Fund	Mutual Fund, 1,352,845 shares	**	19,913,882
*	JPMorgan Stable Value Fund	Common/Collective Trust, 426,552 shares	**	42,316,556
	Columbia Marsico Focused Equities Fund	Mutual Fund, 168,576 shares	**	4,226,199
	Evergreen Special Values Fund	Mutual Fund, 851,699 shares	**	17,545,004

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	TIAA-CREF Intst Small-Cap Blend Index Fund	Mutual Fund, 105,142 shares	**	1,507,743
*	Participant loans	Interest rates ranging from 5% to 10.5%	\$ 0	5,638,789
*	JPMorgan Chase Bank	Money Market, 17,930 units	**	17,930
			\$ 0	\$511,236,311

* *Party-in interest*

** *Historical cost information is not required for participant directed investment funds*

See Report of Independent Registered Public Accounting Firm and the accompanying notes to the financial statements

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Exhibit Index

Exhibit No.	Description
Exhibit 23	Consent of Lesley, Thomas, Schwarz & Postma, Inc.